THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

So Mike Borodin Was a Piker, After All!

Parliament Discusses British Policy Toward China

Bingham's Views on Regional Governments and a Chinese Reply

Marshal Feng's Announcement of Foreign Policy

By J. B. P.

What's the Matter with Shanghai?

許勃氏評論

SATURDAY, JANUARY 21, 1928

FORTY CENTS A COPY

Vol. XLIII No. 8.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

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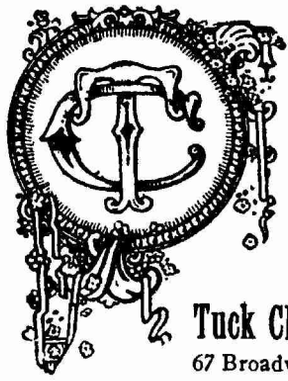

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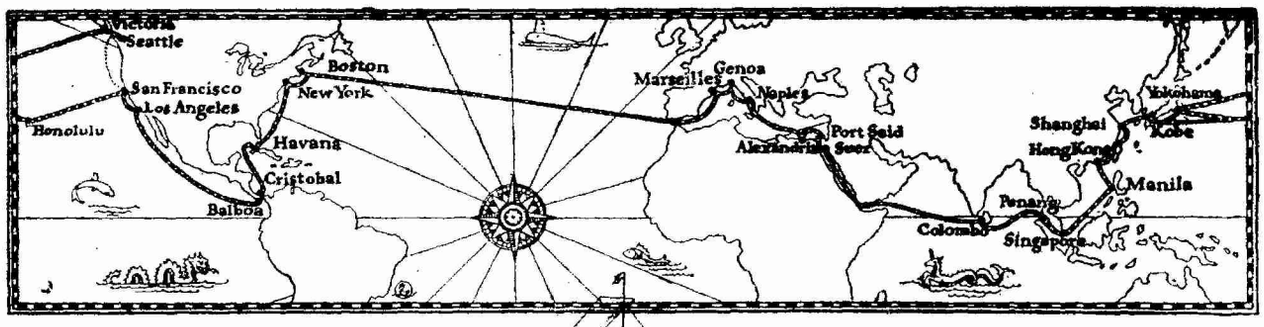

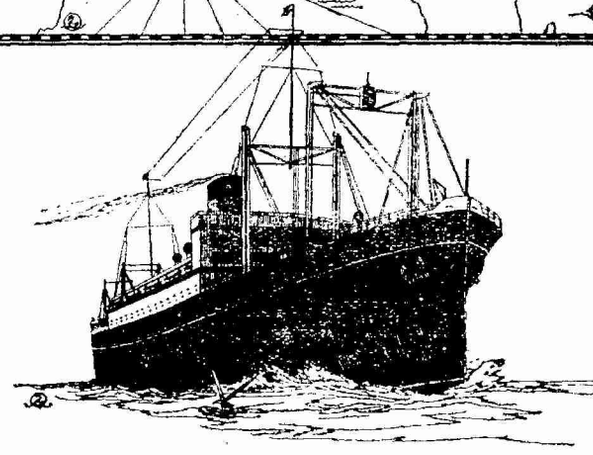

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REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLIII — SHANGHAI, CHINA, SATURDAY, JANUARY 21, 1928 — NUMBER 8

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher

LIZEN SCHENG, Advertising Manager

CONTRIBUTING EDITORS

GEO. W. MISSEMER — BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) — WM. STEPHEN WANG (Tientsin)
H. P. SHASTRI — SAMUEL H. CHANG (S'hai)
LAWRENCE IMPEY (Peking)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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SO MIKE BORODIN WAS A PIKER, AFTER ALL!

ALL THE TIME Mr. Michael Borodin was occupying the position of Soviet High Adviser to the Chinese Nationalists, an Englishman by the name of Gen. Frank Sutton, "one-armed Sutton" was occupying a similar position with the Northern militarist, Marshal Chang Tso-ling. Borodin who was an American naturalized citizen of Russian descent and a former resident and school teacher of Chicago was always painted as the direct agent of satan while Gen. Frank Sutton was always hailed as a sort of hero in the foreign press on the China coast. Because of their intimate connection with revolutionary politics in China, both of these men, Borodin, the Americanized Russian and Sutton the British adventurer, have left their stamp upon present-day Chinese life whether for good or bad only the future can tell. But what we are particularly interested in at this time is what these two gentlemen took out of China. We have heard much about what Borodin spent in China in the alleged fomenting of communistic activities on behalf of the Third International, but never have we heard of what he is alleged to have taken out of China, excepting that according to a report from Hankow, Borodin is said to have purchased several American motor cars and trucks which he used in transporting himself and personal effects back to Russia over the long road through Shensi, Kansu and Mongolia. Fortunately, however, we are not so much in the dark in respect to what Gen. Frank Sutton took out of China. The *Shanghai Times* recently reprinted an interview which Gen. Sutton gave to one of the London newspapers in which Sutton, who was termed, "the world's greatest adventurer," declared that during the five years he was in China he made more than G.$2,500,000, which was not so bad for a former Eton boy and ex-world war veteran, considering the bad times which have prevailed in China in recent years. The rest of Gen Sutton's interview follows:

"It was not bad earning, but I had to work for it. I was the chief military advisor to Chang Tso-lin, and it was my responsibility to provide him with all his munitions.

"China is a wonderful country, but at the moment it is no place for an Englishman. There is one thing that I have learned from my five years in China, and that is that the 'yellow peril' does not exist.

"There is no need to be fearful of China. The people are incapable of organizing. They have no directive ability, and a British division of troops could always march through China from one end to the other without trouble. I know, for I have been on the inside of the whole of the Chinese civil war."

OBTAINING MODERN MILITARY WISDOM FROM CHINA

A FRENCH artillery officer who had service in the World War has recently been investigating the prolonged siege of the town of Chochow in Chihli province, located some thirty miles south of Peking on the Peking-Hankow railway. Chochow is an ancient walled town, the defenses of the place being of ancient brick and stone construction similar to walled towns of mediaeval Europe. In the latter part of September a comparatively small force of Shansi troops captured Chochow and despite the use of modern military equipment including artillery, bombs, airplanes and even poison gas, Marshall Chang Tso-ling was unable to recapture the place. Finally he surrounded the city and after more than three months was able to starve the Shansi garrison out and has now re-occupied the place following negotiations in which the Shansi forces were able to make practically their own terms. The interesting point to this siege of Chochow rests in the military phase, for according to the French artillery officer it has been proved quite conclusively that the ancient style of brick and stone wall construction is superior to modern steel and concrete. The ease with which the Germans smashed the modern concrete forts on the Belgian frontier in the World War proved the inadequacy of that type of construction for fortresses. In the recent siege of Chochow it was found that artillery shells which struck the ancient walls of Chochow, merely exploded and tore away a few bricks and stones and that was all. After many days of furious bombardment the Fengtien forces discovered that the only result was a wastage of ammunition, for the walls stood firm. Thus does the West with all of its scientific warfare come back to ancient China for military knowledge.

THE CASE OF THE KOREANS IN MANCHURIA

SOME two millions of Koreans have emigrated from their native land into the adjoining Chinese province of Manchuria. The reason for this emigration is two-fold: First, Japanese oppression; and second, the rich cheap lands of Manchuria which the Koreans have converted to rice farming. Recently, Marshal Chang Tso-ling dictator of North China, in search of funds for his war against the Nationalists of South China announced that all Koreans in Manchuria must immediately become Chinese citizens. The fee for naturalization was placed at $20 a head. Owing to the fact that they were driven from Korea by Japanese oppression and confiscation of their lands by the Japanese, the Koreans in Manchuria have never acknowledged that they were Japanese subjects. Furthermore, until recently, the Chinese have never evinced any particular desire to adopt them. The fact that the Koreans in Manchuria have often been suspected of seditious activities in respect to Japan's control of Korea, has constituetd a further reason why the Chinese authorities have never attempted to force them to adopt Chinese citizenship. But now Chang Tso-ling needs money for his military activities so he is bringing pressure to force the Koreans to become Chinese citizens in wholesale lots. The unfortunate Koreans are thus between two fires. The emigration of Koreans to Manchuria has, however, interested Japan in another way in that it has provided the Japanese imperialists with another excuse for aggressive designs upon Manchuria. Several years ago the Japanese authorities began to send uniformed police into the Chinese Chientao area where most of the expatriated Koreans live for the announced purpose of preventing seditious activities, but the Chinese declared that Japan was making preparations to annex the territory to Korea. Recently these rumors have been revived, the Japanese claiming that they must now act to protect their Korean subjects against the oppression of Marshal Chang Tso-ling.

MR. REA'S STATEMENT ON U. S. TRADE WITH CHINA!

MR. George Bronson Rea of Shanghai who has been delivering addresses before trade organizations in the United States in which he has been urging a "strong" American policy of intervention in cooperation with Great Britain and Japan in respect to China, made the following statement in the course of a recent address before the Chamber of Commerce of the United States:

> "I listened to the Japanese Consul-General in New York about a month ago making a statement on this subject, and he asserted that about 40 per cent of American exports to China are purchased in this country by Japanese firms in New York for Japanese enterprises in China, so that practically one-half of our exports to China today is in the hands of the Japanese destined for their railways, mines, sugar factories, and other industrial establishments in China. If we have to get out, practically the only people who will be able to do business on the ground will be the Japanese."

The statement that "practically one-half of America's exports to China is in the hands of the Japanese" is manifestly incorrect. It is a fact that considerable of the trade between America and China's three Eastern provinces is in the hands of the Japanese who have squeezed about everybody else out of that area, but the statement that practically half of America's exports to China are in the hands of the Japanese is obviously false as reference to the trade statistics will show. Mr. Rea puts these words into the mouth of the Japanese Consul-General in New York who also ought to know better. Mr. Rea's address was delivered before the Chamber of Commerce of the United States at about the time the American loan to the Japanese-owned South Manchuria Railway was being considered and in the course of the same address he declared that he was speaking as the representative of the American Chamber of Commerce in Shanghai. Mr. Rea is the publisher of a magazine in Shanghai which for the past eight or ten years has been devoted to the propagation of a "strong" Japanese policy toward China even to the extent of the annexation of Manchuria by Japan. If Mr. Rea is actually representing the American Chamber of Commerce of Shanghai in the United States, he is placing the American merchants in Shanghai in the rather unenviable position of approving and supporting Mr. Rea's pro-Japanese propaganda in America. It is possible of course that the Committee of the American Chamber here is not familiar with the trend of Mr. Rea's addresses in America. But if the Chamber is familiar with what Mr. Rea is doing and saying and does not protest, then we will have to give the American merchants in Shanghai credit for being prize altruists for they are either consciously or unconsciously supporting Japanese propaganda which would eliminate all American merchants from China and place their agencies in the hands of the Japanese.

What's The Matter With Shanghai?

DR. JOHN C. FERGUSON, the account of whose more than forty years of experience in China occupy more than a half column of space in *Who's Who in America* and who is one of the few foreign residents of this country who is able to read a Chinese newspaper and speak the Chinese language as well as most Chinese, delivered an address before the Shanghai Rotary Club last week. In this address. Dr. Ferguson made some remarks about conditions in China and Shanghai, which because of his long and rich experience in this country and knowledge of the Chinese people, deserves the widest possible circulation. We are particularly interested in what he had to say about Shanghai, but before we come to that we will refer to his remarks about China generally. In the first place Dr. Ferguson stated that it had always been one of his fondest hopes that China would lift herself from a state of backwardness to a position where she would feel at ease in the modern world. So far this ideal has not been reached, hence there is sincere disappointment on the part of China's friends. The first thing which all should strive for, said Dr. Ferguson, is a cessation of hostilities in order that there might be a calm consideration of the needs of the country. He could not see how any government could have time to develop anything for the real good of the people when the whole present tendency is to fight. The first thing was for everybody to stop fighting and then sit down and talk things over. This often had been suggested but without effective realization, he declared.

Dr. Ferguson then referred feelingly to the old "pipe dream" that the only thing that could straighten China out was a "strong Central Government." This idea of a "strong Central Government" was an elusive idea; nothing had ever been accomplished by it; and nothing could ever be accomplished by it. The Manchus never had a strong central government, but managed all their affairs through viceroys who arranged matters as was best for their provinces. The same situation prevailed with the Mings and with the other dynasties. "There must be the largest possible control of local things by the local people," declared Dr. Ferguson, "for in a strong local autonomy only can the country work out its salvation. But of course nothing can be accomplished until hostilities cease. Local autonomy with unity of purpose throughout the country, would give China its chance." The speaker then expressed strong disagreement with the proposition that China was in such a mess that the Chinese people could not solve their own problems. "No one Power nor any combination of Powers could tell China the way out of her difficulties. China herself alone knows the way out."

What's the Matter with Shanghai?

Dr. Ferguson then took up the so-called Shanghai Question and while not offering any solution, he performed a real service to the community by calling attention to certain phases of the situation which should cause serious thought on the part of the foreigners here. In the first place he mentioned the obvious fact that the authorities of the French Concession at Shanghai get on better with the Chinese residents than do the authorities of the so-called International Settlement. "There must be some outstanding reason for this strange situation," Dr. Ferguson declared, and suggested that it was highly important that something be done immediately to find out that reason. In previous times of trouble, Dr. Ferguson explained that it had always been the French Concession which had had trouble with the Chinese and called attention to several incidents which had resulted in serious misunderstandings between the Chinese and the French authorities. The International Settlement, in his opinion used to get on much better with the Chinese than did the French Concession. Now the tables have been turned. Why?

He also called attention to the fact that in previous times of trouble in China such as the Boxer Rebellion and the Russo-Japanese War when foreign correspondents in large numbers came to the Far East, that these correspondents always made their headquarters in Shanghai and in their writings always gave this city a good name. "They always gave Shanghai a 'good press' "he declared. In consequence of the recent troubles in China the foreign correspondents from most of the great countries again came to Shanghai and made this city their headquarters. But this time, and almost without exception, they had given Shanghai a 'bad press.' "There must be some reason for this and it should be made a definite purpose to find out why," he declared.

In closing Dr. Ferguson expressed his conviction that Shanghai has a great future and that he had always had the interests of the city at heart. "I look forward to a great future for Shanghai. It is destined to be greater than it has ever been and it is because of that, that I speak plainly."

Educator, Adviser and Editor

For fear that some of our readers who are not acquainted with Dr. Ferguson, may consider him a wild Bolshevik for uttering these "dangerous thoughts," we make haste to explain who he is. He was born in Ontario and was educated at Boston University where he received the A. B. and Ph. D. degrees. From 1888 to 1897 he was president of Nanking University one of the leading American missionary schools. Then he came to Shanghai and assisted the Chinese in organizing Nanyang College of which he was president until 1902. He has occupied a secretarial position with various Chinese ministries in Peking and has served as adviser to the President of China. In 1910-1911 he assisted the Chinese and missionary organizations in raising more than a million dollars for famine relief in China. He has served as an officer of the Chinese Red Cross Society and was a member of the Chinese Commission to revise treaties with America and Japan in 1902-1903. He was a member of the Conference on the Limitation of Armament and Far Eastern Questions at Washington in 1921-1922. In addition to these activities Dr. Ferguson has also been active in journalism in China. He was proprietor of the *Shanghai Times* from 1907 to 1911; served for a time as honorary secretary and editor of the *Journal* of the North China Branch of the Royal Asiatic Society. Since 1899 he has been president of the company which publishes the *Sin Wan Pao*, a Chinese daily newspaper which has a circulation of more than 100,000 copies and wields a considerable influence in Chinese affairs. He is one of the trustees of Boston University and a fellow of the Metropolitan Museum of New York City. He was for many years a close friend and confidant of the late Hon. Henry Cabot Lodge, chairman of the Foreign Relations Committee of the United States Senate.

We have printed all this about Dr. John C. Ferguson in order to show that he has some qualifica-

tion for expressing his views regarding the present situation. He is one of the few "old China hands" who has been able to preserve his perspective and keep his feet on the ground. He has observed nearly a half century of Chinese-foreign relations and for a third of a century has been intimately connected with Chinese affairs through the publication of a daily newspaper. Recently the *Sin Wan Pao* completed the construction of a new newspaper office building and plant in Shanghai that would do credit to an average size American city. It probably represents an investment of some two millions of dollars. Dr. Ferguson therefore has a material interest in Shanghai and a reason for being interested in the future welfare of the city. So much for that!

Some Conclusions!

As stated in the foregoing we are particularly interested in what Dr. Ferguson said about Shanghai because he emphasized two important points:

1—Why do the authorities of the French Concession at Shanghai get on better with the Chinese residents than the authorities of the so-called International Settlement?

2—Why have the foreign newspaper correspondents who have visited this city in the past two years, with very few exceptions, gone away with a bad impression and advertised the fact to the world? Previously when the foreign newspaper correspondents came to China to cover important events, they always went away and gave Shanghai a good press.

To take up the question of the newspaper correspondents first, we are only in a position to speak for Americans, but what we have to say about the Americans also applies in almost equal measure to British, French, German, Scandinavian and Japanese journalists who have come to China to investigate the write about current happenings. From the standpoint of the American newspaper correspondents who have visited Shanghai in the past two years and this includes several men who have international reputations as journalists and authors, the first reason they receive a bad impression of Shanghai is that they are always looked upon with suspicion by the foreign powers-that-be in the International Settlement. In several cases to our personal knowledge these journalists who would receive a hearty welcome in any world capital, have been received coldly here and in a few cases have been put under surveillance by the local foreign authorities. There have even been instances where their telephone wires were tapped and their conversations with Chinese officials "listened in" on and exaggerated reports sent to certain branches of foreign secret services. They have been handicapped in their attempts to obtain information which should be open to the world and in case they write anything which does not receive the approval of the foreign authorities, they have been immediately put down as "bolsheviks." The writer knows of one case where a prominent foreigner in referring to an article appearing in *Asia Magazine* which the local clique did not like, told a gathering of local citizens that *Asia* was subsidized by Soviet Russia. And *Asia* is owned by Mrs. Willard Straight, one of the wealthiest women in America, the widow of a former American diplomatic official, and now the wife of a prominent Englishman! When Senator Hiram Bingham was in Shanghai the secretary of a certain foreign commercial organization in Shanghai did everything possible to prevent local newspaper correspondents from seeing and interviewing him. Other prominent visitors from America and Europe last spring were taken on personally conducted tours of the Settlement, shown the barbed-wire barricades, told exaggerated stories of the so-called "menace" to foreign interests, and prevented as far as possible from coming into contact with Chinese leaders. Sir Frederick White who came here on a sort of unofficial mission from England was attacked and villified by the local die-hards and their press. Admiral Mark L. Bristol has also had a difficult time since his arrival here owing to attacks in the local press.

It is this sort of thing which has given Shanghai a bad name abroad and has caused foreign governments to become skeptical and suspicious of Shanghai propaganda. Official Shanghai in recent years has acted as though it had something to hide: hence the antagonistic attitude of foreign newspaper correspondents who have visited these shores in recent months and years!

And the situation is even worse for the local newspapers, that is, all of them with the exception of the *North-China Daily News*, the official organ of the Settlement which receives all the official *pap*, to use a slang American expression, and hence can afford to play the game of the local clique of which that British newspaper is an important part. There isn't a foreign or Chinese newspaper in Shanghai which dares to print a word of criticism of the authorities or activities of the so-called International Settlement. And if they ever become reckless and do print something, they are immediately cut off from all official advertisements such as the Council and Electricity department put out and worse, they are cut off from access to any information from any municipal department. This is particularly true of the police department which strictly bars newspapers and newspapermen which are not liked from the receipt of information about local happenings pertaining to that department. The local *Shanghai Times* has repeatedly protested (mildly) against this attitudebut without results. The *China Courier*, a daily newspaper owned by Chinese interests which was friendly to the Kuomintang was strictly barred from the receipt of any information from the Shanghai Municipal Council or any departments of the local government and when the *Courier* led the fight on behalf of local Chinese interests against the recent tax increase on the grounds that the Chinese property owners of the Settlement were not consulted, the Settlement authorities arbitrarily invaded the premises of the *Courier*, an American corporation, and cut off its light and power supply. And to add insult to injury, the local Consular Court, the chairman of which is the American Consul-General, Mr. E. S. Cunningham, upheld the Shanghai Municipal Council in its retaliation against a newspaper which dared to oppose the Council's views.

From the standpoint of the local Chinese press the situation is even worse, for there have been instances when officials of the Council have gone to the newspaper offices and prohibited the publication of articles and editorials bearing on local topics. A few years ago the Council attempted to put through an ordinance which would have completely muzzled the local Chinese press and placed the supreme power of censorship in the hands of a police official with czarist powers. Fortunately, due to the assistance of some American newspapermen who were outraged at the attempt to muzzle the local press, the Shanghai public was aroused and the proposed ordinance defeated. But although this proposed ordinance was defeated, the local authorities invoke other means of stifling the local press. Quite recently one of the leading Chinese newspapers in the Settlement was threatened with suppression because it published paid notices from local Chinese labor unions. Then if other intimidation measures fail there is always recourse to the method of intimidation through pressure upon

local firms, causing withdrawal of commercial advertising, *The China Weekly Review* being the victim of such a conspiracy at this time.

This is the reason why Shanghai has received a "bad press" all over the world in recent years and it is deserved. The officials of the so-called International Settlement are so intolerant of press criticism that they have aroused suspicion and antagonism on the part of practically every foreign correspondent who has visited the China coast in recent years. A prominent member of the British Parliament recently declared that British trade and goodwill in China was being "blockaded by Shanghai" and that's about the truth of the situation. That's the "Shanghai Mind," which was so well described by Mr. Arthur Ransome of the *Manchester Guardian* and fully concurred in by Mr. Basil F. Riley of the *London Times*. It's the attitude toward Chinese affairs which one so frequently hears, such as, "Just give me a couple more years until I make my pile, then I don't give a damn what happens to China after that,"

The "International" and French Areas

In reference to the reason why the local French authorities get on better with the Chinese residents than the authorities of the so-called International Settlement, the other question propounded by Dr. Ferguson, all that has been said about the attitude of the Settlement authorities toward the foreign newspaper correspondents also applies in answer to this question. Shanghai's attitude toward the foreign newspaper correspondents and newspapers generally is exactly the same as its attitude toward the Chinese, an attitude of "cold superiority and opposition". One of the prominent French officials in Shanghai sometime ago in reply to the question as to why the French get on better with the Chinese than the British authorities in the other foreign section, replied to the effect that the French always strive to keep in touch with the Chinese both inside the Concession and outside and that they do not evince any foolish notions of "superiority" in their dealings with the Chinese. To take the question of Chinese representation on the governing body of the foreign areas, the French early recognized this problem, studied it and solved it. The Chinese are now represented on the administrative body of the French Concession, while in the adjoining International area the Chinese are still being "told" that they can have *only* three members on the Municipal Council and also "told" that if they do not accept three members that they can have *no representation at all.* And in this connection it is important to explain that the Chinese population in the so-called, International Settlement is much larger in proportion to the foreign population than in the French Concession. The Chinese have been given five seats on the French Council which is probably a larger number then they are entitled to on the basis of taxes paid. In the International area the Chinese pay approximately 80 percent of the taxes toward the upkeep of the local government, hence if they were granted representation on the basis of taxes paid they would have a majority. They have never asked for more than equality with the foreigners. Ten years ago the Chinese offered to accept one representative. This was coldly rejected by Sir Edward Pearce, the then Chairman of the Council, but in 1925 when the May 30 shooting of Chinese students and laborers by the Shanghai Municipal police set all China afire, the Settlement authorities became frightened, and in consequence, conciliatory and "granted" the Chinese three seats on the Council. The Chinese refused to accept this offer and the situation has been deadlocked since that time. The authorities of the Settlement for the past decade have always been in the wake of Chinese public opinion on questions affecting the relations of the foreigners and Chinese here. The French on the other hand have kept abreast of what is going on in China. But as Dr. Ferguson pointed out, this has not always been true for it used to be the French who had all the trouble. Now it is the International Settlement that is having all the trouble.

There is also all the difference in the world in the general attitude of the authorities of the two foreign areas in respect to Chinese affairs. For many weeks last spring the French Consul-General and authorities of the French Concession were the only foreign officials here excepting the Japanese who called upon and maintained close relations with the new Nationalist officials. The French erected barricades about their Concession during the crisis last spring when the Nationalists first came into this area but they did not invade Chinese territory and furthermore they were not guilty of the "barbed-wire" hysteria which struck the officials of the other foreign area. Furthermore the French permitted the Nationalist officials to reside in their Concession and hold their meetings there and even permitted unarmed Nationalist troops to enter their concession on shopping expeditions. The International Settlement barred everybody out and even refused to permit civilian members of the Kuomintang to pass the barriers while wearing a small silver Kuomintang identification tag or emblem on their watch-fobs.

Then take the matter of the public parks. More than two years ago the French opened their public park to the Chinese who are to be found there any day in the week enjoying the open space. In the International Settlement the Chinese are strictly barred from the parks even though they are supported in large measure by taxes paid by Chinese residents and despite the further fact that according to the land regulations the public parks must be open to all local residents. At the meeting of the Shanghai Ratepayers last spring the local die-hards even went to the extent of over-riding a recommendation of an official commission which had advised opening the parks to the Chinese.

Finally, there is the matter of education for Chinese. When Mr. Basil F. Riley, correspondent for the *London Times* was in Shanghai last spring, he made the statement that Shanghai probably would be forced to put up with bad government for many years on account of the short-sightedness of the local Municipal Council in failing to provide educational and library facilities for the Chinese residents who make up the bulk of the population. The Settlement authorities have never made any provision for educating and training Chinese for positions of responsibility in the various departments of the city above the grade of clerk. The result of this short-sightedness will be apparent when the Settlement authorities are forced to relinquish control, either completely or partially, to the Chinese. Bad government is bound to result and the responsibility for it will rest with those who have blindly opposed Chinese participation in the local government, thinking that this city could be maintained in perpetuity as a little foreign controlled oasis on Chinese soil.

The Answer to the Question

To refer back to the question asked in the title of this discussion: "What's the Matter with Shanghai? the answer is obvious! Shanghai is suffering from a deep-seated disease which has its foundation

in IGNORANCE AND STUPIDITY AND INTOLERANCE regarding what is taking place in other parts of the world and particularly what is taking place throughout Asia. And the worst part of it is that the chief sufferers are now and increasingly will be the people who are here for legitimate purposes of trade, buying and selling the products of China and the West, missionary work, professional activities, and so on. The manufacturer in Lancashire or Pittsburgh doesn't give a tinker's dam about the maintenance of the status of the foreign-administered area at Shanghai. He is not interested at all in the fact that a small clique of foreigners here are able to pile up vast fortunes by virtue of an artifically supported foreign concession monopoly. He is interested in selling his goods in China and in buying his raw products in an open market in China. He is interested in the good-will of his Chinese customers and when he discovers that a little group of die-hard foreigners in Shanghai for purely selfish reasons of personal profit and foolish prestige are "blockading" his trade with the Chinese people generally, he will withdraw the foreign troops from this city and leave Shanghai to its own devices. It is rather too much to expect the tax-payers of Great Britain and America to continue indefinitely digging down into their pockets for supplying protection for a little clique of foreigners here who are sitting on the neck of the bottle through which China's trade passes and making fortunes out of Shanghai and doing it without paying one cent of taxes either to America or Britain or China. The foreign troops were sent to Shanghai for the purpose of protecting the foreign residents while adjustments were being made in the treaters and status of the Settlement in order to meet the rising tide of Chinese nationalism which, obviously, will not much longer permit foreigners to control any part of Chinese soil. The foreign forces are being gradually reduced. One would think that even the most ignorant and stupid foreign official would be able to read the writing on the wall, but despite the obvious and inevitable trend of events, Shanghai continues to ride gaily toward a debacle!

Bingham's Views on Regional Governments In China and a Chinese Objection

BINGHAM ADVOCATES RECOGNITION OF REGIONAL GOVERNMENT

By Senator Hiram Bingham in the Hartford, Ct. Times

SUPPOSE you were president of a large bank or important importing house in Shanghai and contemplated a large loan or a big deal of great importance to you and to your stockholders.

Suppose the person of most consequence to you in this transaction was president of one of the six powerful Chinese banks in Shanghai and you believed the best way of approaching him was through a luncheon conference.

And finally, supposing you were a member of the magnificent Shanghai club, the leading institution of its kind in that financial metropolis, would it occur to you to invite the president of the Chinese bank to lunch with you there? If it did, because of your training as an American business man, you could do nothing about it. For in Shanghai the president of the great Bank of China cannot cross the threshold of the principal business men's club, even as a luncheon guest of one of its members.

Suppose, again, that you had come from China as the son or daughter of wealthy parents seeking an education at an American college. You made a social success, were elected to one of the best fraternities or sororities, learned to enjoy characteristic American methods of spending your leisure time, became fond of tennis or golf or swimming, and liked the atmosphere of the American clubs to which you had been admitted.

What would be your feeling upon going back to your native land to live in one of the great treaty ports when you saw foreigners, not so highly educated as you, nor members of such good fraternities or clubs in the states or in England, enjoying all the facilities of some of the finest country clubs in the world and considering you to be a social outcast, unable to enter the gate even as a guest?

Would you take it calmly and philosophically, or would you lend your money and your influence and your time to demanding a revision of the "unequal treaties?"

Don't Know What Treaty Means

The average Chinese has no clear conception of what is meant by a treaty. His notion is that it is something which gives a foreigner the right to treat him as a social pariah.

All over China one hears about the iniquity of the "unequal treaties." In the extreme northern and eastern provinces, under the control of the great Manchurian generalissimo, Chang Tso-lin, one sees no posters or placards of an anti-foreign nature, but all through central and southern, China there are thousands and tens of thousands of posters placards, billboards and wall paintings calling for the abolition of the "unequal treaties," attacking foreigners and ascribing the economic ills of the populace to unfair treatment by the foreigners.

As a matter of fact, unemployment in China is due largely to the introduction of labor-saving machinery,

A CHINESE WRITER OPPOSES THE IDEA OF REGIONAL GOVERNMENT

By Dr. Chang-wei Chiu in the Chinese Students Monthly

FRESH from a summer spent in study of the Orient Senator Hiram Bingham of Connecticut recently made known his opinion on the Chinese question in a conferenee with Secretary Kellogg. As the "solution" of the Chinese problem, Mr. Bingham urges upon the Secretary of State the sending of semi-diplomatic representatives to each of the several Chinese "factions" to advise the latter of the "attitude" of the American Government, and, as he said in the same breath, to "advertise" the United States.

China, says Mr. Bingham, has split into five or six "regional divisions," each with a government" of its own. He adds that the country is shaping "ultimately" towards a federation upon the model of the British Empire, although he is also quoted as saying that he "does not believe it possible for Chinese to unify, because of the radical differences in thought and language between its various sections and because of its enormous area."

Now by all Chinese it will be remembered cordially that while in China Mr. Bingham vehemently arraigned the injustice of the unequal treaties between China and the foreign Powers, even going on record in favor of immediate treaty revision by America with China. The story will also be remembered by them that during his brief stay in Shanghai the American Chamber of Commerce made desperate efforts to isolate him. The Secretary of the chamber put himself at the service of the Senator: he arranged meetings and interviews to the liking of the Shanghai die-hards; at the banquet given by the chamber in honor of the distinguished visitor, newspaper reporters were barred and his speech was suppressed. Mr. Bingham was innocent of the conspiracy, and upon hearing of it, called upon the foreign minister of the Nationalist Government to make known to the latter the gist of his speech at the banquet. Such straightforwardness and such sense of justice transcend the pettiness of a dollar policy and have won for him a place of high respect in the minds of the Chinese people.

Mr. Bingham's friendliness, together with his official position, lend weight to his opinions both with Americans and Chinese. But by Chinese his opinions must none the less be challenged. In fact there are in China but two "divisions." In the North is the feudal Peking Government and in the South the Nationalist Government. All other "factions" are but upstart movements which receive no consideration in China outside their immediate territories. Chang Tso-Ling, a conservative by training and a warlord by profession, seeks to govern China according to his personal wishes. The Nationalist, both conservative and democratic, have committed themselves to a set of principles for which they strive to win the support of the Chinese people. With the backing of Great Britain and Japan, Chang Tso-Ling survives. Torn by internal dissension, the Nationalists are halted. But the war between

Bingham Advocates Recognition of Regional Governmen

automobiles, trains and steam boats which have upset the economic balance of centuries and thrown out of work thousands of laborers and carrier coolies. There has been an increasing amount of unemployment, hunger, suffering and starvation. Add to this the fact that 95 per cent. of the population are illiterate, ignorant and superstitious, and one can readily see how fertile a soil awaited Russian trained demagogues and agitators.

Inspired largely by educated Chinese deeply resentful of social unequality, and the stupid treatment accorded them in treaty ports by the British and other foreigners, colored by economic suffering due to the introduction of western machinery and factory methods, egged on by Russian advisers and spread broadcast by the extraordinary successful use of modern advertising methods, antiforeignism is a moving force in large parts of China to-day.

School Trains Agitators

The chief school for turning out political agitators for the nationalist cause has for some years been located at Whampoa, near Canton. It is sometimes spoken of as the Whampoa Military academy. The characters above its entrance, literally translated mean "The Central Military and Political Academy." It represents the spirit of the nationalist party and its aim has been identical with the Kuo Min Tang, the political organization electing the committee or oligarchy which chooses the officers of nationalist China.

Visitors to this military political academy, of which Chiang Kai-Shek was the principal for some years, reported only a few months ago that it was intensely anti-foreign and anti-Christian. It is said that this institution sends out ten thousand "trained officers" every six or eight months.

The essence of their training is hatred and destruction. They are taught that American capitalists sell their goods in China at the point of the gun and forcibly buy Chinese raw materials at starvation prices, leaving nothing for the Chinese to eat, or anything for them to do but to become bandits or soldiers. A large oil painting hung near the main entrance of the schools depicts new China in the persons of a farmer, a laborer, a soldier, a merchant and a student trampling on the Bible and the Cross.

Is it any wonder that the troops under officers thus instructed continue to destroy mission property, loot schools and desecrate churches? Members of the American church missions have been ejected by nationalist soldiers and the Kuo-Min Tang Bibles and hymn books in the churches have been burned and crosses and vases stolen. At Nanking, the nationalist soldiers acted on a premeditated and preconcerted plan to attack foreigners, committed unspeakable outrages and were guilty of wanton and deliberate looting, burning, murder and attacks on women.

This was the deliberate act of official troops acting under orders. It was also the inevitable result of widespread antiforeign propaganda and was similar to attacks made by the nationalist troops in Foochow, Kiukiang, Chinkiang, Wuhu Anking and other places. There is no denying that violent antiforeign agitations have occurred repeatedly and appear to be more widespread than ever before. Notwithstanding many plausible assurances of good will toward foreigners and promises of protection by the nationalist government throughout its jurisdiction, the actual conditions which I saw do not bear out these assurances.

A Misconception Here

Skillful propaganda aided and abetted by many well meaning persons in this country has led to a serious misconception of what is happening in China. Optimistic missionaries and enthusiastic, patriotic Chinese students in the United States have led many Americans to believe that the day of unified China is rapidly approaching, and that the Cantonese or nationalist government is likely to be successful in promoting law and order in the republic of China.

No one can predict definitely what is going to happen to China, but one thing which appears fairly sure is that the 400,000,000 Chinese are so intensely individualistic, so self-reliant and so wedded to family traditions that it is going to be impossible for any strong central government to be established in the near future.

In the meantime, what ought to be the attitude and policy of America?

In the first place, American citizens in business in China would do well, it seems to me, to break down the stupid social barriers which "old China hands" erected years ago and which were not serious handicaps to international peace until Chinese returned students emphasized the difference between their treatment abroad and at home.

I can see no reason why the American club in Shanghai should not regard Chinese who are graduates of American institutions as eligible to membership. I believe such action would tend to cement good feeling and would cause returned students to take a more friendly attitude toward America.

In the second place, I would like to see those benevolent and philanthropic persons and institutions who have been helping to maintain hospitals and schools in China devote part of their energies to advertising the truth about American

A Chinese Writer Opposes the Idea of Regional Government

the two is not a war of "secession," but one for unification of the nation. It would be superficial to assume from the mere similarity of names, that the Chinese Nationalists are, either in principle or aim identical with the Irish Nationalists who are "separationists" seeking to pry Ireland loose from the grip of England. No separatist campaign could live a week in China. Unification is, must be, the slogan of any group bidding for the approval of the Chinese people.

The Chinese body politic is temporarily dislocated as might be the bones of a human being. But the Chinese people are inherently linked together as are the veins of the body. Be he from Mukden or Canton, a Chinese unequavocably regards himself as a Chinese—that alone. No Chinese ever thinks of people as a divided people, any more than a Western farmer and a Wall Street banker would think of the American as a divided people. There runs no deep cleavage through the people of China such as separated the South from the North at the time of the American civil war.

The "radical differences" in custom and thought in China are not unlike those in the United States. But these prove no barriers to American unity. If the Yankee serves doughnuts and apple pie for breakfast, to the horror of the good people below Mason and Dixon's line, without breaking down the American nation, then the preference of the Southern Chinese for rice and that of their Northern brethren for wheat seem to have proven through the ages no more dangerous. In political thought, so the Chinese are convinced, the revolutionary doctrine of the Chinese Nationali and the feudalism of Peking's conservative mandarins will be no more permanently divisive than were the state right doctrine of Jefferson and the centralization of Hamilton. And as to the Catholics and the Ku Klux Klan, how can a foreigner conceive of the co-existence of such "radical differences in thought and language" flourishing under the same Constitution and the same Stars and Stripes!

The suggestion of the American statesman recently returned from China to the Secretary of State is specific. He proposes to Mr. Kellogg the sending of "semi-diplomatic" representatives to each of the Chinese "factions" to advise them of the attitude of the American Government and to "advertise" the United States. Should such be the policy of the American Government, England, Japan and Russia would undoubtedly follow suit. Each would seek to advise these "factions" of his nation's attitude and to advertise his national ideals and goods. Each separate representative would pull separate diplomatic wires. Foreign loans would be offered, both governmental and private, to induce ambitious "generals" to part with rich mines, trade monopolies or military advantages in China. Recognition would be accorded to "factions" most useful to the interests of the separate Powers. An inconceivable condition of international intrigue and internal corruption would arise, an ever fermenting source of danger to the peace of the world.

The fact is that Americans like to see China American, the Russians to see China Russian, while Japan, England, France and the other Powers, with less surplus energy to devote to the political conversion of "the heathen," seek the establishment of any government in China which will offer the best—often merely the most immediate—advantages for trade, or the most strategic positions for future wars.

Meanwhile the Chinese themselves, undaunted by their failures in the past, must continue to strive to utilize Western experience in political democracy, to emulate its success and avoid its failures, but they will not, they can not give up the struggle to weld this with what has proven to be best for China. The enormity of this task is the *raison d'etre* of China's turmoil, and sixteen years of experiment are by far too short a time for a task so gigantic.

The lamentable fact is that Mr. Bingham, like most distinguished visitors, suffered from being distinguished. He came into contact with, was sought out, talked to in China by generals, chiefs and leaders. He had the disadvantage of walking in too high places, among those who "divide to rule." His feet never tread "on the soil." Most certainly (to use another American) he never "had his ear to the ground." There, we believe, he might have caught though prehaps still in the distance, the tramp of China's millions advancing, unified, over a highway made—not "in America" or "in England," in Germany or in Japan,—and not for the advertising of any of those countries—but by Chinese brains and Chinese hands, and primaily for the use and benefit of the Chinese people themselves.

activities in China. It is difficult for them to realize how few Chinese know what they have really been doing and how widespread is the anti-Christian anti-foreign propaganda which has been openly teaching falsehoods about American philanthropy. A widespread campaign, advertising the truth, would be bound in the long run to have more lasting and more beneficial results than the campaign of falsehood so efficiently backed by Russians and Russian-trained Chinese.

Chinese-Speaking Diplomats

In the third place, we ought to have better sources of official information. We ought to have Chinese-speaking military observers attached to the staffs of all the chief military leaders, winning their friendship and confidence, seeing that they were correctly informed regarding the attitude of the American government and bringing us in closer touch with the real leaders of political and military activity.

In the fourth place, we should have Chinese-speaking diplomats, not necessarily of high rank, assigned to the various de facto governments to preclude any misunderstandings arising between these governments and ourselves and to keep us informed of their policy and their actions. These things will cost money, but it seems to me that the American people will not be niggardly when it comes to establishing friendly relations with leaders in the different parts of that great empire it has been our pleasure to be-friend from time to time.

In the fifth place, whenever our diplomats find a regional de facto government which in their opinion appears to have the elements of continuity and security, we ought to enter into negotiations looking toward new treaty relationships. While there are many demands which will be made and which we cannot grant, I am sure there will be found to be a number of very important matters like tariff autonomy which we can readily grant.

The more thoughtful Chinese realize that gunboats and marines promote law and order, and their presence does not really cause us to forfeit the high regard of the Chinese people, as we have been told by some. The more thoughtful Chinese recoginze that the foreign concessions in the treaty ports constitute almost the only cities of refuge to which Chinese political offenders can escape when the enemies come into power and threaten them with loss of property and life.

Most of the countries bordering on the Pacific do not welcome Chinese refugees, or even permit them to remain as law-abiding aliens. In the present state of Chinese "justice" and Chinese "courts," it would be utter folly for us to give up the rights of extra-territorialty. At the same time, it would be perfectly feasible to make treaty provisions regarding the gradual elimination of some of the most undesirable elements in the "unequal" treaties.

In the sixth place we ought to do all we can to encourage the formation of sound regional governments, each one of which should be small enough for its people to see and understand its workings and to realize that it is a piece of machinery able to improve their farming, commerce and other activities. It would help to bring the Chinese people up to the point of interest in and fitness for popular government.

The United States might well take the initiative in endeavoring to induce the several groups now at war with each other in China to agree to respect certain boundaries and to confine their efforts to improving the condition of the people. We might place a commissioner within each such area wherever the new regional government was willing to acknowledge normal national obligations. Above all, in our relations with Asia and with Asiatics, the principle of the golden rule is the safest guide, but it is extremely difficult to apply it unless we are sufficiently aware of actual conditions to know what we ourselves would like to have done if we lived in China.

Chinese Judge Censures National City Bank for Negligence

Judge Ling of the Shanghai provisional Court on Friday, Jan. 13 strongly scored the officials of the National City Bank in Shanghai for negligence in connection with the issuance of a checkbook to a German named H. Schmidt who defrauded some twenty-eight persons by means of worthless checks. According to the evidence presented in Court, Schmidt induced the bank to give him a checkbook on his promise that he was going to deposit a considerable sum in the bank. One of the clerks in the bank testified that Schmidt was introduced by a responsible customer of the bank which was the reason he issued the check-book.

As soon as Schmidt obtained the check-book he embarked on a spending spree, issuing checks for services at local cafes, tailors and even opened a business office. The worthless checks issuedwere for values of Tls. 1 to Tls. 600 and totaled some Tls. 2.000. Sixteen persons preferred charges against Schmidt, as a result of which the Court sentenced him to 30 months in jail and at the same time the Judge severely scored the National City Bank for being indirectly responsible for losses suffered by the victims.

The Manchurian Question

BY J. A. J.

Many Japanese traders in the Three Eastern Provinces have confided to the writer that they would be better off with a smaller display of anxiety for their welfare on the part of their home government. The Japanese colonization of Manchuria having miserably failed to assume the magnitude expected by the Japanese Government when they first caused the South Manchuria Railway to be established as a lever with which to boost this colonization, Tokyo has resorted to all sorts of tricks to emphasize the importance of Japanese rights and, in many instances, have used the Japanese traders in the Three Eastern Provinces to achieve its own ends. Moreover, to make the position of these traders more difficult, the Japanese consuls in Manchuria would from time to time get these traders together in consular premises and lecture them as to what they should or should not do. Thus, when the Mukden authorities were insisting upon Japanese goods passing over to the Chinese City from the Japanese Railway Town being subjected to surtaxes, most of the Japanese merchants were "willing to keep their mouths shut" (as one Japanese friend put to the writer) because, after all, the Chinese buyers were the ones chiefly affected by this extra taxation and if *they* were willing to pay these surtaxes, the Japanese traders felt it was not up to them to interfere with the scheme of things of the native authorities. But the Japanese Consul-General at Mukden, Mr. S. Yoshida, thought otherwise and he undoubtedly had the instruction of the Tokyo government to block this imposition of surtaxes on Japanese goods. Mr. Yoshida got the Japanese traders together and gave them a lecture on Japanese rights in Manchuria, and advised them not to give in to the Chinese authorities. He then summoned the Japanese pressmen and gave them the tip as to what to write about. Of course, in all these talks, such topics as "Bushido" and "Yamato Damashii" were well rubbed in. Now, in Mukden there was established at this time an organization known as "the Japanese Fascisti" and under semi-official encouragement, "the Japanese Fascisti" forced a large consignment of goods from the Japanese Railway Town into the Native City. The Chinese collectors, taken thus by surprise, considered discretion the better part of valor and did not put up any resistance. But the Chinese authorities, of course, took umbrage at all this arrogant display of martial spirit and protested strongly to the Japanese Consulate-General. And Chinese newspapers, whether under official aegis or not the writer is not in a position to say—but probably the Chinese authorities did give the tip—came out with strong expressions of condemnation of such provocative stunts. Now, a feature of Sino-Japanese journalism at Mukden is the perpetual mutual recriminations indulged in by Japanese and Chinese newspapers, but it remained for the Obata-like Mr. Yoshida to demand that the Chinese authorities should suppress the Chinese organ, the *Shengking Daily News*. Mr. Yoshida thought it was quite all right for Japanese newspapers to sling mud at the Chinese authorities but when it came to Chinese organs doing the same thing, why, "it musn't be done" said Mr. Yoshida.

Sino-Japanese Press "War"

"The Japanese system of nominating official representatives has always been inconsistent and complicated, "declared a Western-educated Japanese trader to the writer one day. "We had the autocratic Obata who played havoc with Japanese prestige in Peking, and we later installed Mr. Yoshizawa, a more diplomatic gentleman. We had Mr. T. Funatsu here in Mukden as our Consul-General; a man of great experience and much liked and trusted by the Chinese. But we packed him off as inspector of Japanese spinning mills, and installed Mr. Yoshida in Mr. Funatsu's place. Mr. Yoshida is quite like Mr. Obata in his tactics. Why a system of peace and good will at Peking and a policy 'we shall hit you on the head if you don't listen to us' at Mukden we have never been able to fathom." "In other words, the logic of the Japanese Government—to quote Mark Twain—is like the goodness of God in that it surpasseth all understanding," concluded the Japanese trader.

Another favorite excuse for encroachments upon Chinese Sovereignty in Manchuria is "Japanese sacrifices during the Russo-Japanese War." Between Tokyo and London, the Japanese foisted their ultimatum upon the Russians. The war was a pure Russo-Japanese business with Britain in the background and the Chinese should not be forced to recognize these "sacrifices".

In recent years, the Chinese in Manchuria have appreciated more and more the necessity of modern systems of transportation in order to develop the resources and trade of the Three Eastern Provinces. They, consequently, mapped

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out a program of railroad building and commenced to lay down a railroad or two in due course. The Japanese immediately protested. This railway construction, the Japanese said, would harm the business of the South Manchuria Railway. In all its protests, the Japanese Government took good care not to mention that it was the principal shareholder of the South Manchuria Railway. Any Chinese scheme to build railways in Manchuria or Eastern Inner Mongolia is at once condemned as harmful to Japanese interests, and although Tokyo is too thin-skinned to openly acknowledge to the whole world the validity of the infamous Twenty One Demands, it has consistently sought to wave these demands before the Chinese officials in an effort to browbeat them into selling their country's Sovereignty.

The American Loan

And now we have Baron Tanaka seriously endeavoring to entangle the United States with Sino-Japanese complications through the means of loans secured from American financiers for the alleged purpose of financing the South Manchuria Railway. In view of the failure of several small banks in Japan, the large Japanese banks have taken in large sums of money from small depositors all over the country whose confidence in small banks has been badly shaken as a result. A Japanese trader at Newchwang told the writer that if it were true the South Manchuria Railway stood in need of money, the large Japanese banks could easily raise the sum needed without the Railway having to go to America for funds, but, he said, the Tanaka Government merely wanted to show the country, on the one hand, that it had the entire confidence of Americans and, on the other hand, it wanted to make the position of the United States in Sino-American relations precarious, leading the Chinese into the belief that the American Government had given up the traditional American policy as against China. Foreigners usually believe that the Japanese people are at all times solidly behind their government but now-a-days such is not the case when the policy of the government is not liked by the people. There are countless numbers of Japanese whose opinion of the Tanaka Government is that the sooner it goes out of existence the better it would be for the prestige of Japan. Baron Tanaka is considered by many Japanese as a "kaji dorobo" (fire-thief, i. e., a person who takes advantage of other people's confusion) in that he only managed to get control of the government through making capital out of Wakatsuki's predicament. In Manchuria, he has antagonized a large number of Japanese traders through spoiling their business for them with his "Positive Policy" and already the Opposition in Japan is making itselt felt. Tanaka makes a lot of show about being concerned over the welfare of Koreans in Manchuria but he has ousted Admiral Saito, the most moderate governor the peninsula has ever had, and appointed General Yamanashi in Admiral Saito's state. Now, General Yamanashi is a typical militarist of the old school, and his appointment brings visions of "independence trials" such as characterized the regime of General Terauchi. Japanese critics have severely condemned the appointment of General Yamanashi but General Tanaka is above criticism. Like the baby who stretches out his arm for Coal Tar soap, Tanaka says, "When I want a thing I want it, and that's the sort of chap I am." Baron Kodama, Governor of Kwantung, has also been eliminated to make place for another Tanaka nominee.

The Korean Question

In the mernwhile, in Korea, the newspapers are made to magnify the "oppressions" of Koreans in Manchuria, and the mob has been encouraged to wreck Chinese shops. When the Chinese Consul-General at Seoul pressed for compensation to the unfortunate Chinese shopkeepers, the Japanese side retorted there could be no question of compensations until "oppressions" are given up. But even Japanese newspapers have pointed out that these Koreans in Manchuria when in Korea have always been oppressed by the Japanese police and have never been given a chance to breathe. The Japanese police in Korea have detectives and spies all over the peninsula for the purpose of arresting suspects, the system in operation being very similar to the Soviet Tcheka system. The word of an informer is good enough. And although the Japanese police in Korea have always denied it, there is a system of third degree which is only equalled in its barbarity by the Soviet Tcheka system. This sort of thing is, of course, not oppression but any attempt on the part of Chinese authorities at Mukden to regulate the immigration of Koreans into Manchuria and Inner Eastern Mongolia is. The Japanese had a row with the Chinese over the question of establishing a consulate at Linkiang. This consulate, the Japanese explained, was necessary to keep a check upon undesirable Koreans in Manchuria." It was not oppression, of course, to round up Koreans suspected as upholders of communism and have them deported to Korea for examination, but any attempt on the part of the Chinese authorities to round up undesirable Koreans is. People who do not live in the Three Eastern Provinces and whose knowledge of Manchuria consists of reading S. M. R. literature and the products of the pen of said propagandists and "publicity agents" have no idea of the magnitude of Japanese official hypocrisy in Sino-Japanese relations. It is fair however, to say that this hypocrisy is not shared by many influential Japanese, some of whom have worked strenuously for a more logical policy towards China. As already said, there is a rising Liberalism in Japan and it is safe to predict that the Tanaka Cabinet is the last military meddle with politics in Japan. The militarists are more and more losing face and where formerly the people looked upon them with unbounded respect, they are now largely considered as nuisances. The only thing that would have propped up Tanaka was the non-failure of the $40,000,000 loan, with dire results to Sino-American relations.

Soong Aunounces Regulations for Forty Million Bond Issue

The Nationalist Government, through the offices of T. V. Soong, Minister of Finance, made public on Jan. 11 the regulations for a second issue of Mex. $40,000,000 in bonds based chiefly upon the 2½% Customs surtax. This bond issue will include a Mex. $24,000,000 bond issue announced sometime ago by Sun Fo the previous Finance Minister, but which were not subscribed to any great extent. This will be the second issue secured on the customs surtax authorized at the Washington Conference, the first having been issued by the Nanking Government shortly following Chiang Kai-shek's establishment of the Nanking Government last spring.

The regulations for the Mex. $40,000,000 issue, as circulated by the *Kuo Min* (official) news agency, are as follows:

1. These bonds shall be known as the bonds of the second issuance of the Surtax Treasury Bonds of the Nationalist Government.
2. The said Treasury Bonds shall be issued with the sanction of the Nationalist Government upon petition of the Ministry of Finance.
3. The total amount of the said Treasury Bonds shall be fixed at $40,000,000.00.
4. The said Treasury Bonds shall be applied to make up the deficit in the military and governmental budget of the present year, and also for the reimbursements of the short-term governmental loans of the Nationalist Government.
5. The monthly interest of the said Bonds shall be fixed at 8 per cent.
6. The said Bonds shall be issued at 98 per cent of the par value, i. e. a. $100 Bond can be purchased at $98.
7. The said Bonds shall be issued from the first day of the tenth month of the 16th Year of the Republic of China.
8. Upon the issuance of the said Bonds, interest for three months will be paid in advance; from the first month of the 17th year to the 12th month of the 18th year of the Republic of China, the interest of the said Bonds shall be paid regularly once every month; from the first month of the 19th year, one-fortieth of the principal and the regular interest shall be paid every month, at this rate both the principals and interests shall be totally reimbursed by the end of the 4th month of the 24th year.
9. The interest due on the Bonds from the date of their issuance to the 12th month of the 18th year be paid from the entire portion of the Export Duty and Luxury Tax of the 2½ per cent Customs Surtax, and an additional fund of $320,000 to be appropriated from the Parcel Post Duty of the Kiangsu province as the amortization fund for the payment of the interest of the above-specified, period to be kept in the custody of the Amortization Committee; from the first month of the 19th year, the entire proceeds from the 2½ per cent Customs Surtax and an additional $110,000, from the Export Tax Duty of the 2½ per cent Customs Surtax shall be appropriated as amortization funds for the reimbursement of both the principals and interests until the entire loan shall be redeemd; that the Ministry of Finance of the Nationalist Government shall instruct the Superintendent of the Shanghai Customs, the various 2½ per cent Customs Surtax Collection Bureaux and the Kiangsu Provincial Finance Commissioner to carry out these regulations accordingly.
10. No changes shall be made both in the stipulated period and amount of reimbursement as above-specified, in the event of the increasing proceeds from the customs duties.
11. The Board of Trustees for the amortization funds of the 2½ per cent Customs Surtax Treasure Bonds shall be commissioned to take charge of the affairs of paying the monthly interest and reimbursing the principal of the said Bonds.
12. The par value of the said Bonds shall be classified into the Tls. 10,000, Tls. 1,000 Tls. 100 and Tls. 10 four kinds.
13. The said Bonds shall be issued as Bearer Bonds.
14. The said Bonds can be held as bank reserve and also as collateral and securities in transaction with the Government.
15. Those who counterfeit the said Bonds or undermine the credit of the said Bonds shall be rigidly prosecuted according to law.

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Parliament Discusses the Question of British Policy in China

(Reprinted from the Manchester Guardian for Dec. 15)

China Troops.

THE House went into Committee of Supply and discussed a supplementary estimate of £3,000,000 for the excess cost involved in the employment of extra troops in China.

Commodore KING (Financial Secretary to the War Office) said the presence of these extra troops had undoubtedly had a steadying effect in China. He had been asked questions relating to the present strength of the additional troops. When the decreases which had been announced had taken full effect the remainder additional to the garrison in China would be eight infantry battalions, of which five would be in Shanghai, in addition to artillery and auxillary troops. That was the force which would remain for the present. It was impossible, of course, to forecast the future, but conditions were always being carefully watched. He thought that it would be agreed that the whole force could not be removed until a Government in China could assure us that it was both able and willing to give adequate protection to our nationals. (Ministerial cheers.) The force remaining would be far less expensive than the larger force which had been there during the past year. The troops in China had acted with the greatest tact and restraint in the difficult circumstances of civil commotion, and had, in fact, lived up to the highest traditions of the British army. Their actual living conditions had not been perfect, but on the whole their health had been satisfactory, though in the hot weather there was a somewhat serious outbreak of pneumonia, largely due to the climatic conditions and to the common Chinese habit of spitting in public carriages and other places. With regard to the "A" reserves he made an appeal for their employment in the places they occupied before being called up.

Mr. WALLHEAD (Lab.—Merthyr): What is their position in the insurance scheme?

Commodore KING: Every man has a certain amount of paid-up time for insurance benefit.

Mr. SHEPHERD (Lab.—Darlington): Could not the Government take the responsibility of finding employment if the employers refuse to reinstate the men?

Commodore KING: No, that is impossible. Many leave the colours every year, and the War Office could not undertake to find employment for one particular section.

Mr. SHEPHERD: If you had war again you would soon employ them.

Commodore KING said the record of the War Office, in its interest on behalf of ex-servicemen, stood very high. Proceeding to discuss details of the estimate, he referred to a contribution by the Shanghai Municipal Council to the cost of billets, &c.

Mr. Dalton (Lab.—Peckham) asked what the amount of the contribution was.

Commodore KING said he did not think it could be given in actual figures, as it consisted of remissions. It represented, at any rate, a substantial concession and a saving of money.

A Force to be Forgotten.

Mr. TREVELYAN (Lab.—Newcastle) said the House had not learned much from Commodore King's statement about what really mattered, which was why the soldiers were still there, how long they were going to stay, and how many there were. The truth in all probability was that the Government did not want this force to be talked about too much, and that Ministers sometimes forgot its existence. He did not wish to go over the old controversy about the expedition. The Opposition would continue to regard it as an unhappy and dangerous escapade on the part of the Government, and no doubt supporters of the Government would continue to say that its dispatch was necessary. But so right were the Opposition in their warning that the expedition would increase the danger of those outside Shanghai that no sooner were the troops sent than the Government issued invitations to all other British residents in China to come to the coast.

Another thing the Opposition said was that British trade would suffer even more severely than before. It was worth while considering what had been the effect on British trade. The prosperity of Lancashire was very deeply involved. During the last few years the exports from the United Kingdom to China had been falling steadily and rapidly. In 1922 they were worth £21,800,000. In 1923 they fell to £17,290,000; in 1924 they rose slightly to £19,000,000. In 1925 they fell to £13,500,000.

In the last year there had been a very serious drop indeed. The total value of United Kingdom produce and manufactures exported to China in the first six months of 1926 was £9,250,000, and in the first six months of 1927 the figure had fallen to £5,194,000. This fall was the more serious because the exports of cotton piece goods had fallen by nearly 50 per cent, from a value of £4,000,000 to £2,300,000, and this process was still going on.

We maintain, said Mr. Trevelyan, that this is due to the fact that the policy of the Government is continually aggravating the Chinese people into greater hostility to ourselves, because while our trade with China is steadily falling it is not the case that the consuming capacity of the Chinese is declining. While we have been losing this trade the Chinese, in spite of their civil war, have been importing even larger quantities of cotton piece goods.

The fact is that Lancashire is being blockaded at Shanghai, and if the Government do not recognise this, at any rate those in Lancashire do. The General Council of the Amalgamated Weavers' Association said:—

We recognise that the civil war in China is detrimental to Lancashire trade, but we know that it will be a thousand times worse if the presence of armed forces results in hostilities. We warn the cotton workers of Lancashire that the danger of war is not past until the armed forces are withdrawn and the British Government recognise the full independence and sovereignty of China.

This feeling in regard to the disaster which the policy of the Government was bringing upon them was not confined entirely to the working class. The chairman of the Manchester Cotton Association, speaking of the long period of depression through which the cotton trade was passing, said that the trade could not be again fully employed until there was a greater demand from the important market of China. The demand was there, but it was not coming to us because of the policy which the Government imposed upon us.

The question surely for the House that day was, How long are we going to leave these troops there and how are we going to get out of this morass in which our trading interests are in China? He did not think there was necessarily any great difference of opinion as to the ultimate way out, but the Opposition might put it a little more bluntly and think it ought to be done more quickly. We say, continued Mr. Trevelyan, that the unequal treaties have got to go, that the Chinese have got to be treated as equals and that as soon as possible the ports and cities of China ought to belong to the Chinese people again. The direction in which the Government wanted to go was the same—at least he presumed that their policy had not changed and that the memorandum of last December still stood. But how could they get a step farther in carrying out the ideas of that memorandum as long as the army of occupation was there? It was that which made it impossible for them to negotiate and to make any farther advance.

As long as our army was there, creating distrust, creating terrorism by the exhibition of overwhelming force which was incompatible with negotiations, clearly nothing could be done.

He asked the Government to say whether they were going to consider a withdrawal of the troops in the next few months. If not and if they were to be left until the situation in China was perfect how long was that going to be? We should get accustomed to leaving them there and they would be more and more forgotten. There was an amendment on the paper in the name of himself and others to reduce the vote by £100, but it did not adequately represent their view and he did not propose to move it. The Opposition objected to the whole expenditure as wanton and wasteful—hard on our own people and harder still on our soldiers—and invited the House to vote against the whole estimate. (Labour cheers.)

Tory Reply.

Mr. WARDLAW MILNE (C.—Kidderminster) said that through the dispatch of our troops Shanghai had become the Mecca of pilgrims from many neighbouring parts of China and there had been no resentment in China. As to the falling-off in Lancashire exports that was due to circumstances which to a large extent would have operated whether there had been a civil war in China or not. To-day in China, as in India and Japan, there was a competition which it was almost impossible for Lancashire to deal with and in normal times that competition was likely to increase.

Colonel WEDGWOOD (Lab.—Newcastle-under-Lyme) saw no more prospect of civil war in China coming to an end now than there was five or ten years ago, and asked whether in those circumstances we were to continue a wait-and-see policy which was futile and expensive. If we were going to have an occupation of China or the port of Shanghai we should come to some definite conclusion as to whether the taxpayers here or the people protected in China were to pay. The Govern-

ment ought to consider whether it was not now possible to organise from the foreign population in Shanghai an adequate defence or police force. His view was that it should be possible to get a force as able to protect life and property in Shanghai as our troops. Further, as the months went by we ought to be in a position to make a fresh international move to secure co-operation among the Western nations interested in China, and to use that co-operation for calling a conference with the various Chinese ruling powers with a view to eliminating the bitterness between the Chinese and the Westerner and to bringing some sort of peace into the country. If England and America could agree there could be no doubt that Japan would come into line. He was confident that if the Foreign Secretary would get personally into touch with those who counted in Washington foundations might be laid which would ultimatedy result in peace for the people of China.

Mr. LOOKER (C.—Essex) said the dispatch of our troops had not been received with hostility by any but the most subversive elements in China. No citizen in this country, who was not blinded by political partisanship, could begrudge the expenditure. His suggestion was that we should seek not by a policy of intervention but by one of co-operation with other nations, such as America, France, and Japan, and, if necessary, of Italy and the nations concerned in the Washington Agreement to create such conditions of security in China as would enable us not only to withdraw the Defence Force but be of assistance to China as well. The great mass of moderate opinion in China should also be consulted. This attempt failing, the whole question should be submitted to the League of Nations. At the same time we should make it clear that we intended to ensure respect for our interests and to insist upon the fulfilment of China's obligations to ourselves without interference or derogation, whatever the consequences.

Mr. WELLOCK (Lab.—Stourbridge) considered that our policy had been in fault in China in its attitude to the national struggle and on the question of extraterritoriality. During the last ten months we had lost £3,000,000 worth of cotton goods exports from Lancashire to China as a result of the policy our Government had followed and he wondered what Lancashire would say if they received orders to-morrow for the millions of yardage which had been sacrificed.

Mr. Hopkinson

Mr. AUSTEN HOPKINSON (Ind.—Mossley): Speaking on behalf of a cotton district of Lancashire which has suffered very severely from the loss of trade in China I would say that if those orders involved the loss or safety of a single Englishman or Englishwoman I would repudiate them.

Mr. WELLOCK replied that if the policy he suggested had been pursued there would have been no danger to British lives.

Mr. HOPKINSON remarked that no doubt a solution of the trouble in China would be to send out Colonel Wedgwood. Colonel Wedgwood, he gathered, had introduced such a degree of order and such an excess of discipline in one district of South Africa that even at this time Zulu mothers quietened their children by saying "If you don't shut up, you little blighter, I will give you to Jock." (Laughter.) He repudiated the suggestion that his constituents who had suffered severely from the depression in trade would be willing for the sake of their wages and prosperity to oppose the sending of an expeditionary force to preserve the lives of their fellow-country-men at Shanghai.

Mr. J. HUDSON (Lab.—Huddersfield): Is the hon. member prepared to put that point of view to his constituents, and stand by it at the next election.?

Mr. HOPKINSON: Certainly. I would say to them, "Would you prefer to have a full day's work and full wages at the cost of the lives of your fellow citizens? (Labour jeers.)

Earlier, continued Mr. Hopkinson, he had discussed the question, and stated that in the opinion of the Government, who at least knew as much about the matter as hon. members opposite, it was necessary to incur this expense and send this force. The idea that the Government, or any Government, would have taken such a step for the mere fun of the thing was absurd and preposterous. If hon. members like Mr. Trevelyan, who had such few opportunities of coming into contact with the workers of the country, had the experience of those who had lived and worked among them and knew their lives they would realise that they were not such contemptible creatures as they would have them imagine. (Ironical Labour laughter, and Ministerial cheers.)

Lieutenant Commander KENWORTHY (Lab.—Hull) asked what justification there was one shouldering the whole burden of the expedition, when the British ratepayers in the International Settlement at Shanghai numbered less than half the total of non-Chinese ratepayers. By our invasion of Chinese territory beyond the Settlement we had alienated Chinese feeling, and incurred an odium which would be felt against us in the future.

He drew attention to the fact that fourteen students, members of the Kuomintang party, who had taken refuge in the British possessions inside Tientsin, had been handed over by the British police to their political adversaries, and by them executed under circumstances of great brutality. This he denounced as a scandalous business.

Mr. Lloyd George

Mr. LLOYD GEORGE (L.—Caernarvon Boroughs) thought the only question the House had to decide was whether the Government were justified in sending an expeditionary force to Shanghai under the conditions which arose in the early part of the year. After going into the matter closely he was firmly of opinion that no Government could have shirked that responsibility, and that public opinion in this country would not have tolerated it. (Cheers.) If the Government had sent a force to back up any one of the rival factions they would have been absolutely wrong, but they had given assurances that there should be no such interference, and that the force had been sent purely for the purpose of protecting British citizens. He would like to know how long they thought the troops must remain there and whether it would be possible to reduce their numbers.

Government Reply

Mr LOCKER-LAMPSON (Under Secretary for Foreign Affairs), replying on the debate, said the Government was very glad to have Mr. Lloyd George's approval of their policy in sending the Defence Force to Shanghai. The Government entirely agreed that the Unequal Treaties had got to go. They made it perfectly clear in their memorandum of December of last year, and repeated in January, that their policy was to negotiate practically the abolition of the so-called Unequal Treaties. They were merely waiting until they could get somebody to negotiate with. At the moment there was nobody with whom they could possibly negotiate on such a subject.

With regard to the suggestion that there should be a conference among the leaders of China, Mr. Locker-Lampson pointed out that nearly all those leaders were fighting each other at the head of vast armies, and under those circumstances he was afraid there was no likelihood of coming to such an agreement. The Government had always done their utmost to co-operate to the closest possible extent with all the Washington powers. They were now co-operating with the chief of the Powers in Peking in regard to Bias Bay pirates, and had every hope that they would be able to do something to lessen the dangers of piracy in Southern China.

Our policy (said Mr. Locker-Lampson) is as it always has been, one of peace and conciliation. We were the first nation to publish our proposals, saying we were ready practically to abolish the unequal treaties. We are prepared to sweep away some of the extra-territoriality straight away; in fact, we have done so in regard to one of the courts in Shanghai. We are prepared to grant China tariff autonomy. We are prepared to surrender many other privileges in order to meet Chinese aspirations. With regard to Wei-Hai-Wei, we are prepared to surrender that directly we can get somebody to negotiate with.

We are waiting for somebody to negotiate with. The agreement had already been drawn up, and but for the civil war it would have been handed over long ago.

In conclusions, Mr. Locker-Lampson said the only solution to-day was patience. We could not allow the lives of our fellow-subjects in Shanghai to be put in jeopardy. Our troops were merely there in the character of police, not for an agressive but a defensive purpose. The Government were as anxious as the Opposition to withdraw the troops as soon as possible. Directly some kind of order was evolved, directly some kind of Government arose which was able and willing to exercise control they would withdraw those troops at once. Meanwhile it was their obvious and plain duty to British citizens in Shanghai to keep those troops there so long as their lives and property were in danger. (Ministerial cheers.)

Chinese Customs

Mr. WELLOCK (Lab.—Stourbridge) asked the purpose of the International Tariff Commission now sitting at Peking, at whose instance it was set up, and the names of the British delegates serving on it.

Mr. LOCKER-LAMPSON: I presume the hon. member refers to the Tariff Commission which is in accordance with articles 1 and 4 of the Washington Treaty relating to the Chinese Customs tariff, engaged on the revision of the Customs schedule of duties on imports into China so that the rates of duty shall be equivalent to 5 per cent effective as provided in the several commercial treaties to which China is a party. This commission was in accordance with the Washington Treaty convened at the instance of the Chinese authorities in Peking. It met at Shanghai in the autumn of last year, and the final stages of the work are being carried out in Peking. The Commercial Secretary at Shanghai was the British representative during the earlier stages. His place has now been taken by the acting Commercial Secretary at Peking.

Mr. WELLOCK: I suppose the Chinese authorities are represented and taking part?

Mr. LOCKER-LAMPSON: Yes, sir.

Complications Over Sale of Shipping Board Boats

A Congressional investigation of the United States Shipping Board may be held as a result of complications which have developed through the efforts of the Government to sell to private interests, some 60 cargo ships owned by the Board which are operated on the Pacific by three private American shipping companies which have offices in Shanghai. The suggestion that a Congressional investigation may be held appeared in an article in the *New York Times* on December 13 last which stated that President Coolidge was dissatisfied with recent actions of the board in attempting to dispose of the cargo boats on the Pacific. The three private companies which are now operating the boats are, The American-Oriental Mail Line, owned by the Dollar interests, The Oregon-Oriental Line, owned by Portland interests, and The America-Australia-Orient Line, owned by Swayne and Hoyt of San Francisco. All of these companies have offices in Shanghai and are represented by C. L. Seitz for the Oregon-Oriental, L. Everett for Swayne and Hoyt and the Dollar Company for the American-Oriental Mail line.

Commissioner Hill Resigns

According to an *Associated Press* report appearing in the *San Francisco Chronicle* on December 13, Commissioner W. S. Hill of the Shipping Board has resigned as an indirect result of disclosures that he had accepted a loan from the shipping firm of Swayne and Hoyt of San Francisco and the allegation that this loan had influenced his action in connection with the disposal of the Pacific ships. Reports by the *Associated Press* in the *Manila Bulletin* on December 15 and 29 stated that the Shipping Board had cancelled its contract with Swayne and Hoyt as a result of the disclosures, but later private telegrams received in Shanghai are said to have indicated that the Shipping Board may permit Swayne and Hoyt to carry on pending an investigation. Swayne and Hoyt operate Shipping Board boats between San Francisco, Manila and Australian ports. Commissioner W. S. Hill, who resigned from the Board supposedly at the President's suggestion issued a statement that he was the "victim of unfortunate circumstances." He admitted having obtained a loan for a man "indirectly connected with shipping interests," but insisted that the loan was a purely private matter and that it had not influenced his action in Shipping Board affairs. According to the article in the *New York Times*, the loan which Commissioner Hill negotiated "was arranged at about the time the Board was wrangling bitterly over the terms it should offer its three remaining Pacific Coast lines for sale. It was well known that President Coolidge was displeased with its course at that time, and, in view of this situation he had expressed his displeasure with the actions of the Board in his annual message to Congress."

Immediately following the resignation of Commissioner Hill, the President appointed to the position a banker named Albert H. Denton from Arkansas City, Kansas who had the endorsement of Senators Capper and Curtis of that state. Commissioner Hill, prior to his appointment to the Shipping Board was a banker in South Dakota.

Still Further Complications

In addition to the complications which developed as a result of the resignation of Commissioner Hill, it has also been rumored that further investigations may be made as a result of reports from Shanghai alleging that the three shipping companies mentioned in the foregoing and other interests in the United States had formed a "pool" for the purpose of purchasing all of the Shipping Board boats now being operated on the Pacific. A brief report of the alleged financial pool appeared in *The Review* on Jan. 7 to the effect that these companies and other shipping interests in America had put up the sum of G.$8,000,000 as a bid for the boats, the official advertisement of their sale having been published on Jan. 10. According to this report, it was alleged that C. L. Seitz of Shanghai, who is the agent for the Oregon-Oriental Line, had put up the sum of G.$1,000,000. Owing to the fact that Mr. Seitz, who is an American citizen, is prominently identified with British commercial and financial interests in Shanghai, it was also alleged that he might be acting on behalf of British interests in China which might be desirous of obtaining a foothold in American shipping on the Pacific.

C. L. Seitz Denies Report

Mr. Seitz, however, has denied both the existence of a financial pool and of the allegation of British capital being involved in the deal. Mr. Seitz's letter which was addressed to *The Review* on Jan. 13 reads as follows:

"My attention has been drawn to an article in your publication of the 7th January, page 154, under the heading "Shipping Board Cancels Swayne & Hoyt Contract."

"The first two paragraphs refer to the affairs of Swayne & Hoyt, and appear to be a reprint of news appearing in the *Manila Bulletin* of December 15th.

"The third paragraph refers to a "pool" to purchase Shipping Board vessels, wherein you name as interested parties, the Columbia Pacific Shipping Co., Swayne & Hoyt, the Robert Dollar Co., Dant & Russell and myself,—whilst in the fourth paragraph you refer to rumours concerning British Capital being involved therein.

"The statements referred to in the third and fourth paragraphs are false and misleading. I am not a subscriber to any such pool of interests for purchase of Shipping Board tonnage, and am furthermore informed in a cable from the Columbia Pacific Shipping Co. that no such "pool" exists.

"This also disposes of the ridiculous reference to British interests being concerned.

"Kindly publish in the next issue of the *China Weekly Review*, complete retraction of the irresponsible and untrue statements you have made."

As stated in *The Review* for Jan. 14, Mr. Seitz, who is the Shanghai agent of the Oregon-Oriental Line which operates Shipping Board boats is a director of two leading British companies in Shanghai which are extensively interested in trade on the Pacific between the United States and China. The companies are, The China Import and Export Lumber Company, Ltd., and Arnhold and Company, Ltd., the latter being closely affiliated with the British Sassoon financial interests.

The original report in *The Review* pertaining to the alleged attempt on the part of British interests to obtain a foothold in American shipping on the Pacific originated in supposedly reliable American official circles, the source of which *The Review* is not at present in a position to disclose.

Chinese Customs Returns Drop Tls. 9,435,000 From 1926

The Maritime Customs Revenue for 1927 amounts in round figures to Hk. Tls. 68,687,000 a decrease of Hk. Tls. 9,435,000 as compared with the collection for the year 1926. The sterling equivalent of the 1927 collection at the average exchange of 2/9 13/16 is approximately £9,677,000 as compared with £12,165,800, the equivalent of the 1926 collection at the average exchange of 3/1 3/8.

The following table shows in round figures the collection for 1927, and the increase or decrease, at the principal ports:—

Harbin Hk. Tls. 2,368'000 an increase of Hk. Tls.288,000.

Antung Hk. Tls. 2,143,000 an increase of Hk. Tls. 105,000.

Dairen Hk. Tls. 7,126,000 an increase of Hk. Tls, 341,000.

Newchwang Hk. Tls. 989,000 a decrease of Hk. Tls. 97,000.

Tientsin and Chinwangtao Hk. Tls. 9,225,000 an increase of Hk. Tls. 920,000.

Kiaochow Hk. Tls. 3,311,000 a decrease of Hk. Tls. 73,000.

Hankow Hk. Tls. 2,908,000 a decrease of Hk. Tls. 2,263,000.

Kiaochow Hk. Tls. 3,311,000 a decrease of Hk. Tls. 26,000.

Shanghai Hk. Tls. 25,681,000 a decrease of Hk. Tls. 7,025,000.

Amoy Hk. Tls. 1,172,000 an increase of Hk. Tls. 73,000.

Swatow Hk. Tls. 1,668,000 an increase of 255,000.

Canton Hk. Tls. 2,959,000 a decrease of Hk. Tls. 1,538,-000.

Native Customs Revenues

The 1927 Revenue of the Native Customs under the Officiating Inspector General's control amounts in round figures to Hk. Tls. 3,784,000 which at the average exchange of 2/9 13/16 equals £533,100. This collection shows a decrease of Hk. Tls. 720,000 as compared with the Revenue for 1926.

Nationalists Seize Property of Han-Yeh-Ping Company

The Nationalist Military Council at Nanking has taken over control of the property in Shanghai belonging to the Han-Yeh-Ping Coal and Iron Company of Hankow, the properties seized including warehouses located in the Pootung section. According to the report the action was taken on account of the failure of a Chinese bank in Changsha, Hunan province to which the Han-Yeh-Ping Company was indebted. The Nationalist military authorities claim that they also had $230,000 deposited in the defunct bank.

The seizure of the property in Shanghai has caused complications with the Japanese owing to the fact that Japanese interests have a large mortgage on the assets of the firm. The Japanese also allege that some 28,000 tons of coal stored on the property in Shanghai belongs to the Mitsui Bussan Kaisha and Mitsu Bishi Company.

Men and Events

Rev. Frank Cartwright of Foochow, Fukien province, is visiting in Shanghai.

R. R. Service of the National Committee of the Y. M. C. A. has returned to Shanghai from a trip to Szechuen province.

Carl D. Meinhardt, American Consul-General at Hankow and Mrs. Meinhardt, have become members of the American Community Church at Shanghai.

J. Merton Sills, moving picture director of Hollywood, Cal., has arrived in Shanghai on a tour of the Orient. Mr. Sills is a brother of Milton Sills the movie actor.

Chester Fritz, manager of the American Metal Company, extensive dealers in gold and silver bullion, has returned to Shanghai after a business trip to the United States.

H. S. House an officer of the American Red Cross Chapter in Manila has arrived in Shanghai following a tour of inspection of famine areas in Shantung and Chihli provinces.

Some 10,000 Chinese shop-clerks in Shanghai are now on strike for more pay, the number including practically all clerks employed in sauce and oil shops and rice and piece-goods shops.

Col. L. M. Cosgrove, Canadian Trade Commissioner in China departed on Jan. 17 on a business trip to Canada. During his absence Cyril Beck, the Assistant Trade Commissioner will have charge of the Shanghai office.

The American Players, local amateur dramatic organization presented the play "Daddy Long Legs" at the Carlton Theater on Jan. 18, many of the parts being taken by loca-American children.

Culver B. Chamberlain, formerly connected with the American Consulate at Swatow has been assigned to Shanghai and is scheduled to arrive here shortly. W. R. Lynch a member of the staff of the Shanghai Consulate-General is also returning to Shanghai in the near future.

H. B. Longfellow, formerly a member of the firm of Longfellow and Adams, motor car dealers, has joined the Dollar Company as passenger agent in Shanghai. Mr. Longfellow came to the Far East several years ago as a member of the staff of the lumber department of the Dollar Company.

The Japanese-Shanghai Cotton Manufacturing Company has just opened a new mill in Shanghai, the new installation being known as the Shanghai Boshoku Kabushiki Kwaisha, No. 4. The new mill is located on Soochow Creek at Lay and Pingliang Roads.

Prof. Kao Jen-shan, dean of the Yi-Wen Middle School in Peking, and a graduate of Columbia University, N. Y., was executed by Marshal Chang Tso-ling on Jan. 16. Prof. Kao was charged with plotting against Marshal Chang Tso-ling. He had been held in jail for several months prior to his execution.

Dr. Henry Lovett Cumming, well known British physician of Shanghai died on Friday, Jan. 13 at the Country Hospital, his death being due to pneumonia. Dr. Cumming was 50 years of age and was born in Glasgow. Prior to coming to Shanghai he was connected with the British health service at Singapore.

Sir John Tilley, British Ambassador to Japan is departing on Jan. 30 on a trip home to London, expecting to return to Tokyo in September or October. According to the Japanese *Toho* news agency, while the trip is of a personal nature, "it is generally anticipated that an exchange of views between Sir John Tilley and the Home Government will take place regarding Chinese problems and Britain's policy toward China."

Preparing for New Sino-American Commercial Treaty

The Peking Government, according to a Japanese *Toho* news agency message from Peking on Jan. 16, has authorized Dr. Sao-ke Alfred Sze, Chinese Minister in Washington to serve as its delegate in the negotiation of a new Sino-American Commercial Treaty. The report stated that Li Chin-lun (Frank Lee) representative of the Nationalist Government in Washington had approached President Coolidge with the suggestion that Peking and Nanking might cooperate in the appointment of delegates to negotiate a new treaty between China and the United States.

According to the report, President Coolidge expressed agreement providing the Chinese could unite on a delegation, whereupon Mr. Li approached Dr. Sao-ke Alfred Sze on the matter. As a result Dr. Sze cabled the Peking Government and now has received authorization to proceed to the negotiation of a new treaty in cooperation with Mr. Li.

Dr. Warnshuis, head of the International Missionary Council of New York, in a recent address stated that he had been informed that the Northern and Southern Chinese governments hnd united in appointing three delegates to take up with the U. S. Government the negotiation of a new commercial treaty.

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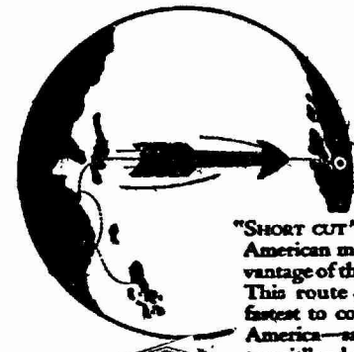

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Marshal Feng Yu-Hsiang's Announcement of Foreign Policy

BY J. B. P.

Marshal Feng Yu-hsiang, who is now emerging as one of the strongest factors in the Nationalist cause, according to telegrams received in Shanghai from Chengchow, Honan, where his headquarters are established, in a long statement made to his subordinates on China's foreign relations, declared that China will protect foreigners but will oppose any foreign aggression. "We have come to the parting of the ways and we are determined from now on to stand no more encroachment on our sovereignty," he stated.

He claims that the Changtehfu area in North Honan has been entirely cleared of Northern troops and that he has captured Changyuan, Kaichow and Changfeng in South Chihli. General Fang Chen-wu, with reinforcements from Hankow, has arrived at Hsinyangchow. All Christians are in safety in the district and Communist plotting in Chengshan School at Taian fu, Shensi Province, has been suppressed, a telegram from Feng's headquarters states.

Marshal Feng Yu-hsiang, Who Has Just Made an Important Declaration on China's Foreign Policy

Talks To Subordinates

In the course of his conversation with his subordinates, General Feng had the following to say about China's foreign relations:

The aim of the Nationalist revolution is twofold: internally to alleviate the people's sufferings and to advance their well-being; externally to obtain for China freedom and equality among the nations. It has never been our purpose to dominate other nations or races, nor do we tolerate domination by them. The evil of imperialism lies in the exploitation of the weak by the strong. Should the Powers or their political parties in power take advantage of our temporary weakness to reinforce the unequal status of sino-foreign relations, it is our supreme duty to resist.

Hitherto, in her relations with foreign countries, China has been in the habit of giving in to every aggressive act of the Powers. As a result, her national integrity has been very much impaired. We have come to the parting of the ways. We are determined from now on to stand no more encroachment on our sovereignty.

China's Hands Tied

International relations are carried on for mutual benefit Inasmuch as consular jurisdiction and tariff restrictions have seriously jeopardized our national existence, we are not in a position to accord foreigners absolute freedom of travel and trade in the interior until such time as judicial and tariff autonomy has been restored to China.

At present, as is expected, there are foreigners in China who are still believers of the superiority complex, but there are also those who are polite to, and entertain respect for, our people. The antipathy to the former should not withhold us from befriending the latter. Some of them are perfectly willing to relinquish their special privileges and submit themselves to Chinese laws, though their Governments, in ignorance of the real purpose and increasing strength of the Nationalist movements are still standing pat against any readjustment in their relations with China. The distinction must always be made between foreigners who are diehard imperialists and those who are sympathetic to our national aspirations.

To Overthrow Militarists

The first requisite for the recovery of our rights therefore is the overthrow of the militarists. Some of the Powers are under the illusion that the militarists would be able to unite China under their iron heels. But the days of these bandit leaders are numbered and they can no longer be utilized in imperialistic ends, as any illegal privileges wrested through the hands of the militarists would under no circumstances be recognized by the Nationalist Government.

The Kuomintang and the Nationalist Army should make known to the world through words and deeds that they will stand no unfair and unequal treatment from other countries, while at the same time they can depend on us to play fair to them. We have a civilization of five thousand years and it devolves upon us to shed luster to it. We want to see the early realization of international amity and racial equality, and we must first of all restore our sovereign rights. We must be just in dealing with foreigners, never for a moment losing sight of the fact that we are people of a great nation. If foreigners are mistaken in their views about conditions in China we should correct them, if they are unreasonable we should resist them, and if they are sympathetic towards us we should extend our welcome to them. We must distinguish between black and white and must not give occasion for ridicule.

With reference to our foreign policy, such as the abrogation of the unequal treaties, it is for the Nationalist Government to formulate. But as far as our army is concerned, due protection will be given to the life and property of all foreigners in the territory where our troops are stationed. Our responsibility is heavy, so our actions must be discreet and well-considered. We must not give ourselves over to sentimentalism and temporary passion. But, of course, if any foreign nation should still stick to its imperialistic policy we would not hesitate to oppose it to the end.

The Kuomintang Conference

Owing to the lack of a quorum, the members of the Central Executive Committee now in Nanking, held an informal parley on Jan. 13 and discussed measures for the formal convention of the 4th Plenary Session in the early future. The meeting was attended by 17 members of the Executive Committee and two members of the Supervisory Committee. Those who attended were Chiang Kai-shek, Yu Yueh-jen, Chu Pei-teh, Tan Yen-kai, Bei Wen-wei, Ho Ying-ching Ho Hsiang-ning, Wang Fac-hun, Chu Chi-chin, Tin Chao-wu, Kin Hun-yi, Wang Loh-ping, Tin Wei-feng, Chu Min-yi, Chow Chi-kong, Bei Yun-ti, Hwang Hsih, Zau Li-tsi and Kuo Chung-tao, with General Tan Yen-kai presiding.

In view of the informal nature of the meeting, General Tan requested a free and open exchange of opinion by the various members present. The following is a summary of the more important decisions arrived at by the meeting:

1. That Messrs. Zau Li-tsi, Chu Min-yi, Yu Yueh-jen and Wang Loh-ping be elected as additional members of the Committee to draft the Manifesto to be issued by the 4th Plenary Session;

2. That prior to the formal convention of the 4th Plenary Session, a preliminary conference shall be held;

3. That the date for the convention of the 4th Plenary Session shall be decided and fixed by General Chiang Kai-shek.

With reference to the last decision, General Chiang made a short speech and explained the reasons why the formal convention of the Central conference should not be held immediately. In the first place, Gen. Chiang said, the Investigation Committees which have been probing the alleged connection of the Cantonese members with the peasant-labor uprising in Canton on Dec. 11, have not yet finished their task and secondly, those members of the Central Committees now in Nanking do not made a quorum; and it is necessary to pursuade the remaining members in other places to attend the Plenary Session before it can be formally opened.

Chang Tso-ling To the Presidency?

According to reports from Peking appearing in the Chinese newspapers during the week, rumors are again prevalent that Marshal Chang Tso-ling may be elected to the Presidency. The reports stated that practically all officials of the Peking Government, including Cabinet officers, had gone to Paotingfu for a conference, lending credence to reports that Marshal Chang may be elected President. This has in turn started a fresh crop of rumors that in the event Marshal Chang is elected president, that he may shortly thereafter be "shelved" thus opening the way for a compromise and redistribution of territory that might obviate the necessity for further fighting in the North.

INCREASE IN SUBSCRIPTION PRICE

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Owing to increased cost of production and decrease in advertising revenues incidental to depressed business conditions, THE CHINA WEEKLY REVIEW is forced to announce an increase in the subscription rate from Mex. $10 a year to Mex. $12 a year, including postage, for all subscribers residing within China.

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From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

January 11—Nationalist Government Council meets in Peking with following in attendance: Chiang Kai-shek, Tan Yen-kai, Li Lieh-chun, Ho Yin-chin, Chiang Tso-ping, Admiral Yang Shu-chwang, T. V. Soong, Chang Ching-kiang, Soong Yuen-nin, Nyi Yung-yi, Wang Peh-chun, Liu Pao-tseng (representing Yen Hsi-shan), Yung Ping (representing Feng Yu-hsiang), Quo Tai-chi (representing C. C. Wu), and Wei Tao-ming (representing Dr Wang Chung-hui); passed number of important resolutions including approval of bond regulations for Ministry of Finance, approval of recently drafted criminal code, prepared by C. C. Wu, Wang Chung-hui and Hsu Yuen-hoh; reorganization of Han-Yeh-Ping Coal and Iron Company; that $1,000,000 be remitted immediately to Feng Yu-hsiang and $2,000,000 more as soon as possible; that additional surtax of $1.50 per 100 catties of salt be levied; that salt gabelle in Hunan, Hupeh, Anhwei and Kiangsu be reorganized; that Chen Yung-min be appointed Minister of Finance—T. V. Soong, Minister of Finance, announced regulations for second issue of bonds on 2½ percent customs surtax—Gen. Bei Tsung-chi sends telegram of congratulation to T. V. Soong—Generals Bei Tsung-chi, Chen Zung-yung, Hu Chung-tuh and Hsia Tso-ying of Kwangsi faction also congratulate Chiang Kai-shek on his resumption of office of generalissimo—Japanese *Toho* agency report from Hankow states that three armies are being organized in Wu-Han for attacking Hunan, the total strength being 70,000; fighting likely to develop at Yochow and Pingkiang; report states however, that the "union of the Wu-Han forces is not solid" and that only the 7th and 19th armies are likely to do any real fighting—Japanese report from Tsinan states that there is little fighting at present in Shantung, the Chihli-Shantung troops holding Jihchao, Tancheng, Taierchuang, Hanchuang and Chining; no signs of immediate advance on part of Feng's or Nanking's troops; troops of Chang Chung-chang and Sun Chuan-fang being remunitioned with rifles and munitions recently imported at Tsingtao—Fighting developing between Fengtien and Shansi forces at Wutai—Hsiung Hsi-ling raises loan of $30,000 for relief of distress on part of inhabitants of town of Chochow—Peking Ministry of Foreign Affairs receives telegram from Dr. Alfred Sze, Chinese Minister at Washington asking permission to return to China—Chang Tso-ling dispatches 20,000 troops to Peking-Hankow Railway area to oppose advance of Feng Yu-hsiang—*Kuo Wen* agency reports that T. V. Soong has induced the Cantonese members of the Kuomintang Central Executive Committee to go to Nanking for the party conference—reported that Nationalist Government has issued order for arrest of Chang Cha, Chinese industrial leader at Nantungchow on grounds that he has been plotting for the return of Sun Chuan-fang to Kiangsu.

January 12—Japanese report from Peking states that Shansi troops numbering 4,000 formerly in Chochow who surrendered by arrangement will be incorporated in the Fengtien army under Gen. Wan Fu-lin—Big Sword Corps, peasant-labor organization in Manchuria continues to cause trouble, Japanese report stating that Fengtien troops are unable to subdue them and that the revolt is spreading throughout the Tungpientao area—Political council which was abolished by Nanking Government last September is restored and holds 124th meeting attended by Li Tung-jen, Chu Pei-teh, Li Lieh-chun, Chiang Kai-shek, Tan Yen-kai, Chang Ching-kiang Tin Wei-feng, Chen Ku-foo, Yeh Tsu-chang and Bei Wen-wei; issue notification to military organs and government departments that all proposals must comply with previous regulations; that Yeh Tsu-chang be appointed chief secretary of council; that the matter of restoring the political councils in the various provinces be brought before the Fourth Plenary Session; that Yu Yuen-jen and Yi Peh-chi be elected members of the Council—Chiang Kai-shek appoints following to his headquarters staff: chief-of-staff, Chang Chun; in charge of generalissimo's office, Wu En-ju; in charge of staff office, Ker Chin-en; in charge of court martial, Sun Hao-yung; executive department, Miao Bin; superintendent of military stations, Hwang Chen-hsing; chief secretary, Thomas Tchou; chief Chinese secretary, Mao Shi-chen—Gen. Yen Hsi-shan sends out circular telegram denying that he has entered into negotiations with Chang Tso-ling, saying impossible to even consider a compromise with militarists—Madame Chiang Kai-shek expected to proceed to Nanking shortly—Gen. Chu Yu-puh, tupan of Chihli, who has been in Peking dispatched to Taming fu to observe situation—Cheng-chow report by *Kuo Wen* states that 50,000 "Red Spear" troops in Chihli and Shantung have declared their allegience to Feng Yu-hsiang—Peking Minister of Communications has notified the British Minister that since the Shanghai-Nanking and Shanghai-Hangchow railways are controlled by the Nationalists, that Peking will not make any further payments on the debts of these roads—Reported that Y. M. Chien will not assume post of Vice-Minister of Finance.

January 13—Gen. Yang Yu-ting, Fengtien chief-of-staff, returns to Peking from Mukden—*Toho* report from Tokyo states that while Sir John Tilley, British Ambassador to Japan is returning home on purely private trip, it is understood that he will discuss the question of British and Japanese policy toward China—Japanese report from Peking states that Peking may shortly call another conference of Chinese, Japanese and Americans for the purpose of solving the wireless tangle—Chang Tso-ling announces that he will not collect taxes from the people in and around Chochow owing to the privations resulting from the warfare incidental to the siege of Chochow—Big Sword society in Tunghua area of Manchuria break into the city of Tunghua and burn a number of houses; reported that troops finally disperse the bandits—Peking report states that both Fengtien and Shansi troops are in state of "hibernation' and that the Shansi troops are in the region of Ningwu, Kwangwu and Yenmenkwan and also at Taihsien and Wutaishan; last serious fighting at Tehkoliang northwest of Fanchih without results—Japanese report states that serious communist trouble threatens at Foochow and Swatow, but that Foochow is well guarded by Nationalist troops—Some 47 members of the crew of the Soviet Russian steamer Pamiat Leninia who were arrested at Pukow eleven months ago and have since been held in jail in Tsinanfu by Gen. Chang Chung-chang, have been released at Tsingtao and have sailed for Vladivostok—Japanese Minister Yoshizawa in Peking issues long statement to effect that while formal negotiations with Chang Tso-ling over Mongolian questions have not begun, "it is a fact that a certain degree of understanding has been effected"; regarding the controversy over the rights of Koreans in Manchuria, he stated that China and Japan "are studying the question"; in reference to Yangtsze situation, Mr. Yoshizawa declared that while the British had withdrawn part of their defense from Shanghai, the Yangtsze Valley is "still unsettled"; in reference to recent conversations between Japan and Russia over Manchurian and Mongolian questions, he said "favorable relations between the two countries was being established"; in reference to the Nationalist action in issuing bonds on the 2½% Customs surtax, he declared that when Japanese interests are affected that "Japan will take adequate steps, "in reference to the question of tariff autonomy, he expressed the hope that China would achieve tariff autonomy by proper means and stop the "illegal" taxes—*Kuo Min* reports that Hwang Fu may be made chairman of Chekiang provincial committee—Y. M. Chien declines appointment as vice-Minister of Finance—Sun Fo declines ministryship of Reconstruction, saying that since all the funds are needed for military purposes there is no use of trying to reconstruct anything—Peking report states that forces of Gen. Fan Tsung-wu are being moved from Hsiokan to Hsinyang for a forward movement on the Peking-Hankow line—Bei Tsung-chi leaves Hankow for Hunan front—Twenty-one members of Kuomintang Central Executive arrive in Nanking for meeting—Hsuchow plans big mass—meeting in celebration of Chiang Kai-shek's resumption of office—Chang Tso-ling plans reorganization of his cabinet after the Chinese New Year—Chang Hsueh-liang applies to Peking Government for right to open coal mines at Jehol and Fushinhsien—Tientsin report states that prices of rice have soared owing to excessive taxation—Chu Chao-hsin, former Chinese Charge in London assumes office as commissioner of Foreign Affairs at Canton—*Kuo Wen* report states that Chiang Kai-shek may ask Gen. Chang Tin-fang to resume his post as Mayor of Greater Shanghai

January 14-15—Japanese *Toho* report states serious fighting still continues between Fengtien troops and "Big Sword Societies" composed of peasant farmers; troops claim advantage—All Peking Cabinet Ministers go to Paotingfu to celebrate birthday of Chang Hsueh-liang, son of Chang Tso-ling; thought that a plan is afoot to "elect" Marshal Chang Tso-ling to presidency—Chinese authorities seize properties of Han-Yeh-Ping Coal and Iron Company at Shanghai, including godowns and large stocks of coal; Japanese lodge strong protest on account of large Japanese mortgage on the property and also claim ownership of coal stored on premises on behalf of Mitsui Bussan Kaisha and Mitsu Bishi Company—Gen. Yang Sen obtains $120,000 from Chinese Chamber of Commerce at Shashih for "withdrawal expenses" but after receiving money continue to stay on—Shansi troops, evacuated from Chochow, are transferred to Tungchow,

New Books of Interest in the Far East

The American Press

Ballyhoo, The Voice of the Press. By Silas Bent; Boni and Liveright, New York, Publishers (G. $3.00)

The American Press, that vast body of American newspapers, which has unquestionably become a member of American "Big Business," of late years has been accused of becoming "yellow," of being superficial, unreliable and given over to commercialism at the expense of presenting the news.

One of the most recent criticisms levelled at journalism as practised in the United States is that the all-consuming aim is for sensations, the unusual, all calculated to whet the public's appetite for more of the intimate details" and to create demand for the "latest development" in whatever the subject may be.

Sensations! To create interest and thereby increase newspaper circulations which have already passed the million mark and gone far beyond the fondest dreams of newspaper publishers of a generation ago. To increase the circulations and with it to maintain and increase advertising rates which have also passed the aspirations of the publisher of a generation ago.

Silas Bent, newspaper man of twenty years experience with the metropolitan journals of the United States and with the ability to present his subject concisely and vividly, in his book, "Ballyhoo, The Voice of The Press." takes up the subject of the press of today and takes the puble into the practises of American newspaper making which are doubtless mysteries to most newspaper readers.

Mr. Bent calls his book "Ballyhoo." An ambiguous title but he hastily explains that he means the "salesmanship and showmanship of the Press," whereby he means the modern journalistic practise of making a newspaper in such a way that it will occupy a primary place in the demands of the reading public.

"Ballyhoo" believes the prestige of the American press is being undermined by the unending search for sensations, that it is being cheapened by the prominent displaying of subject matter that is in reality of small importance but contains an element of "human interest" which will serve as a circulation builder, that the public's confidence in the newspapers is waning because of these superficialities wherein the serious news of the day is allowed to go virtually unnoticed and decries a host of other journalistic ills.

From the standpoint of the newspaper reader, Mr. Bent's work is valuable in that it gives China an insight into the influences which are at work behind the journal he may accept as an authority on news of the day and current questions. To one looking for interesting reading, he will be more than supplied in the contents of "Ballyhoo.

Mr. Bent takes up such questions as a newspapers invasion of the privacy of the individual. How far is a newspaper justified in its damands for information concerning the personal affairs of an individual? "The Art of Ballyhoo" forms material for an interesting chapter. What are the secrets of making what is usually a common-place incident material for a "story" which will prove to be a sensation and make the newspaper printing it the most important thing in the mind of the public? How much of what a newspaper prints is real news and how much of it is propaganda and press agent material in which there is a special interest to persons responsible for its being printed and little to the public? How is newspaper morality changing? What is the influence of men like Hearst, Pulitzer and Ochs and others of the first rank in American Newspaper affairs? These things and more Silas Bent brings up for discussion and answers them from the standpoint of common-sense and an unbiased viewpoint.

What have become of the "crusading" newspapers which led the way for governmental reforms, broke down the influence of unscrupulous politicians in national and local affairs and played a big part in establishing honest authority in the localities where they were published? "The Butter and Egg Man of The News," or the influence of the advertiser on what a newspaper prints forms an important part of "Ballyhoo" and explains in large measure why metropolitan journals today are willing to occupy a conservative position, crusading for nothing and being content with protecting their huge financial interests, maintaining their huge circulations and incidentally the high rates of their advertising departments.

"Ballyhoo," the art of selling themselves to the public, turning a commonplace murder trial into a national or even worldwide event for sensations, for circulation and for advertising rates. Mr. Bent recalls a recent murder trial occurring nearby to New York in connection with which the New York newspapers ran special trains for reporters in and out of New York to the scene of the trial. In one case he points out numerous times more newspaper reporters were employed in "covering" it than are today engaged in reporting events in China in which are "wrapped up the seeds of another world war." Sensations at the expense of real news!

Mr. Bent's book will undoubtedly be accepted by thinking readers as containing food for thought concerning the things they are reading daily in their newspapers and will likely result in more than one journal considering in a more serious manner the responsibility it bears to those who read it.

Shanghai, Jan. 11, 1928 M. J. H.

China Year Book for 1928

The China Year Book, 1928, Edited by H. G. W. Woodhead, C. B. E.: Tientsin Press, Ltd., Tientsin, China.

The 1928 edition of the China Year Book, copies of which are just off the press, is some 118 pages larger than the previous issue, the increase in size having been made necessary by the fact that the present volume covers a period of eighteen months and includes reports and accounts dealing with incidents of that period.

An apparently serious attempt has been made to present all sides of controversial questions through the presentation of the actual documents. There are complete chapters dealing with such subjects as river conservancy and harbors, currency, railways, including recent development in Manchuria, public justice with a description of the courts and the report of the extraterritorial commission, the rendition of the Shanghai Mixed Court and establishment of the Provisional Court at Shanghai, finance containing details of the recommendations of the British Boxer Indemnity Recommendation,.

The book also contains complete accounts of various incidents such as the Nanking affair, the Wanhsien incident, piracy in South China waters, the rendition of the British concessions at Hankow and Kiukiang, the question of treaty revision, Sino-Russian incidents and politics, the Chang Tso-ling raid on the Soviet Embassy, the labor question, the Shanghai Settlement question, civil war situation and a chapter on the history of the Kuomintang political party.

The book is invaluable for references purposes and should ave a general distribution throughout the world.

China in 1927

China in 1927—Year-End Number, a Supplement to the Peking Leader, Peking: Price 40 cents.

The *Peking Leader*, American newspaper in the Northern Chinese Capital, has just issued a summary of the events of 1927 in the form of a booklet of some 60 pages. The booklet covers the eventful year of 1927 by weeks, devoting a paragraph or more to each of the most important happenings in China during the period. The booklet is useful for those desirous of keeping a record of this stirring period.

The Report on

EXTRATERRITORIALITY

Copies of the Report of the International Commission which investigated the Practice of Extraterritoriality in China may be obtained by addressing The China Weekly Review, enclosing the sum of $1,00 to cover cost and postage.

The Report contains four sections as follows:

Part I.—Present Practice of Extraterritoriality in China.
Part II.—Laws and Judicial System of China.
Part III.—Administration of Justice in China.
Part IV.—Recommendations.

In addition there is an appendix containing the Declaration of the President of China to reform the laws and administration of justice; a summary of clauses from the treaties containing the Extraterritorial provisions; a list of modern Chinese courts and prisons and a report of the Committee which toured North and Central China investigating conditions.

Send orders to

THE CHINA WEEKLY REVIEW

4, Avenue Edward VII
Shanghai.

Latest New York Stock Exchange Quotation

Jan. 14, Swan Culbertson & Co. Tel. C. 6615 6619.

Market Closed Strong Business Done (Shares) 3,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	155⅞	156
American Can (Common)	72	73½
Anaconda Cepper (Com.)	55⅛	57
Amour & Co. (Illinois) 7% Pfd.	69	68¼
American Tolephone & Tel. (Common)	179⅜	179⅛
American Tobacco "B"	171	173¾
Bank of Montreal	342	342
Bethlehem Steel (Common)	56⅛	57⅜
Bethlehem Steel, Pfd. 7%	120¼	120¼
Canadian Pacific Railway	209	210¾
Canada Dry Ginger Ale	56¼	57⅛
Cerro de Pasco	67½	67⅛
Eastman Kodak Co. (Common)	164	165
E. I. du Pont de Nemours (Common)	312	317
General Electric (Common)	133	134
General Motors (Common)	132	134¼
Goodrich (B.F.) Co. (Common)	93	91½
International Match, Pfd.	100	103⅜
International Nickel (Common)	88⅝	94⅝
Ligget & Myers, Class "B"	121⅛	119¾
Mack Trucks (Common)	100½	101½
Missouri Pacific, 5% Pfd.	113	113½
New York Central (Common)	160½	163
Packard Motor Car Co. (Common)	58½	59¼
Phillips Petroleum (Common)	41⅛	43¼
Pacific Gas & Electric	47⅞	47⅞
Radio Corp. of America (Common)	100¾	102¼
Reynolds Tobacco, Class "B"	157¼	158¾
Standard Gas & Electric (Common)	58	58⅞
Schulte Retail Stores (Common)	51⅛	51⅛
Southern Railway (Common)	143⅜	144
Standard Oil of California	55⅛	mutilated
" " of New Jersey	40	40¼
" " of New York	31	31¼
" " of Indiana	79¼	80¼
Texas Corporation (Common)	54⅛	55¼
Tobacco Products, Class "A"	119	118¼
Union Carbide	142¼	143½
Union Pacific RR. (Common)	190	190½
United Fruit	138⅛	139
United Drug (Common)	107	109
United States Rubber (Common)	9¼	62
United States Realty & Imp. Co.	63⅝	64¾
United States Steel	147⅞	148½
N. German Llody, 6%—1946	94	94
Shinyetsu Elec. Power Corp. 6½% 1952	93	83¼

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Jan. 5th	Sale Price Jan. 12th	Approx. Yield to Maturity Jan. 12th
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108⅞	109	7.22
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	105⅛	105⅝	6.95
Republic Chile S.F. Loan	7	Nov. 1, 1942	101¼	101⅜	6.84
Argentine Ext. S.F. Loan	6	May. 1, 1960	99½	100	6.00
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	99⅛	99¼	7.07
Austrian S. F. G. Loan..	7	June 1, 1943	104¼	104½	6.56
French Ext. S. F. Loan	8	Sept. 15, 1945	110⅝	110⅞	6.95
Japanese Govt. (£).....	5	1907/1947	84⅛	84½	6.38
German Govt. S. F. Loan	7	Oct. 15, 1949	109⅞	107⅛	6.39
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	99⅞	100¾	6.93
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	100	100¼	6.95
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104¼	103⅝	6.64
Finnish Guaranteed Municipalities S. F. Loan...	6⅛	Oct. 1, 1954	98½	99	6.58
Chicago Rapid Transit 1st. & Refunding Mtge.	6¼	July 1, 1944	98¼	98⅛	6.65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	101	7.40
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100⅛	100½	6.95
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	96	96	7.29
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	102⅛	102½	6.83
Willys Overland Co... .	7	Pfd. Stock	95	93½	7.37
The National City Bank of New York.....	20	Stock	760	775	2.58
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	106⅛	106⅝	6.95
Saxon Public Works Inc.	6½	May 1, 1951	——	95½	6.89
Republic of Costa Rica	7½	Setp. 1, 1949	——	100¼	7.45
Chicago Rapid Transit	6	July 1, 1953	——	93	6 56
Container Corp of..... America.....	6	June 1, 1946	——	100	6.00

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

43-268

Shanghai Exchange for Week Ending Wednesday, January 18, 1928

By Maitland, Fetron and Brand

Exchange:—The price of Bar Silver in London during the past week has declined 6 1/16 d. ready and forward today's quotations are respectively 26 3/8 d. and 26d. The officias T/T rate on London is ¼d. lower @ 2/7d. With the Chinese New Year so close it is only notural that the volume of exchange business in regard to imports and exports is very small and the transactions that have taken place have for the most part been in connection with the New Year settlement. The market has eased noticeably during the last day or two owing to purchases of gold currencies, chiefly Yen, but at today's levels closes steady. There are sellers at the following rates:—T/T London 2/7 1/4 d cash, New York 63 1/8 cash and Yen 73 7/8 and March delivery sterling T/T is offering at 2/6 3/4 d., G. $ 62 1/2.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 51,691,000 a decrease of Tls. 3,731,000

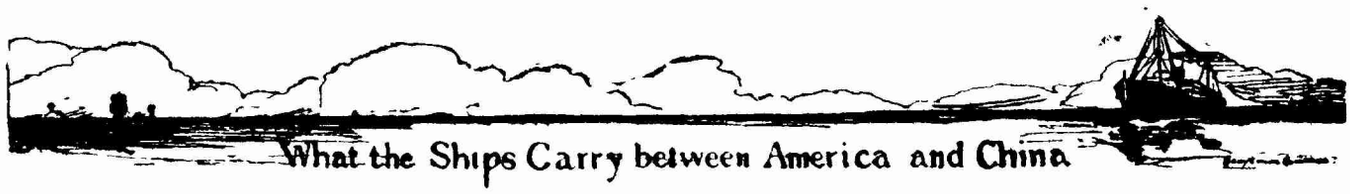
Chinese and Mexican Dollars..... $ 79,300,000 an increase of $ 1,500,000

Estimated value Tls. 108,787,000 as against Tls. 120,947,000 held at this time last year.

	Average rates for Dec.	Thursday Jan. 12	Friday Jan. 13th	Sat. Jan. 14th	Monday Jan 16th	Tuesday Jan. 17	Wed. Jan. 18
Bank's selling rates		*opening*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7.120	2/7 1/4	2/7 1/4	2/7 1/4	2/7 1/4	2/7 1/4	2/7
D/Dfts ,,	—	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 15/16	2/7 1/16
4 m/s ,,	—	2/7 3/4	2/7 3/4	2/7 3/4	2/7 3/4	2 7 3/4	2/7 1/4
T/T India	171.460	172 1/2	172 1/2	172 1/2	172 1/2	172 1/2	170 3/4
T/T France	1,607,280	1615	1615	1615	1615	1615	1600
T/T N. Y.	63.250	63 1/2	63 1/2	63 1/2	63 1/2	63 1/2	63
T/T Demand		63 3/8	63 3/8	63 3/8	63 3/8	63 3/8	63 1/8
T/T Hamburg		266 1/2	266 1/2	266 1/2	266 1/2	266 1/2	264 1/4
T/T H'kong	79.355	79 3/4	79 1/2	79 1/2	79 1/2	79 1/2	79 3/4
T/T Japan	72.935	73 3/8	74	74	74	74 1/8	74 1/4
T/T Batavia	155.950	156 3/4	156 1/4	156 1/4	156 1/4	156 3/8	155 1/2
T/T Straits	90.580	90	90	89 7/8	89 7/8	89 7/8	90 3/8
Bk's buying rates: 4 m/s B/L. Cred. D/A	2/9.120	2/9 1/4	2/9 1/4	2/9 1/4	2/9 1/4	2/9 1/4	2/9
4 m/s ,, D/P	—	2/9 3/8	2/9 3/8	2/9 3/8	2/9 3/8	2/9 3/8	2/9 1/8
6 m/s ,, B/L Cred D/A	2/9.432	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 5/16
4 m/s B/F Cred D/A or D/P	1,707.800	1690	1690	1690	1690	1690	1675
4 m/s N.Y.Lc.	66.625	66 7/8	66 7/8	66 7/8	66 7/8	66 7/8	66 3/8
4 m/s ,, Docs	—	67 3/8	67 3/8	67 3/8	67 3/8	67 3/8	66 7/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Jan. 12	Jan. 13	Jan. 14	Jan. 16	Jan. 17	Jan. 18
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	26 1/16	26 5/16	26 1/16	26 1/16	26 5/16
**New York Price of Bar Silver per oz. (Pure)	G. $.57 3/8	G.$.57 3/8	G. $. 57 3/8	G. $. 57 3/8	G. $. 57 1/8	G. $.56 7/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 361.00	Tls. 365.90	Tls. 364.20	Tls. 364.80	Tls. 366.00	Tls. 366.80
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.90	110.80	110.90	110.90	110.00
Shanghai Mexican Dollars per $100....	72.0625	72.075	72.25	72.05	72.05	72 1125
Native Bank Rate of Interest (Call money).....	1%	1%	1%	1%	1%	3½%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.04
Bank of France rate of discount	4%	New York on London	T/T 487 1/2
London open Market of Dis. 3 m/s	4 1/16%	Bombay on London	T/T 1/6 1/16
,, 4 ,,	4 1/16%	Hongkong on London	T/T 2/0 1/4
,, 6 ,,	4 1/16%	Kobe on London	T/T 1/11



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Nov. Customs Rate Tls. 1.42 equal Gold $1

SHIDZUOKA MARU,
December 3.
From U. S. A.

Herrings, Salt.....	Pls.	13,117
Timber:		
Softwood, Ordinary, Sawn.....	Sup. ft.	299,806
Softwood, Merchantable Manufactured	,,	107,913

IKOMA MARU, December 3.
From U. S. A.

Tinned Plates, Plain ..	Pls.	481

BORDEAUX MARU,
December 5.

Cotton, Raw Bls. 2,400	Pls.	8,400
Iron Hoops	,,	115
Steel Nails, Wire	,,	1,013
Canned Fruits	,,	15
Timber:		
Softwood, Merchantable .....Sup. ft.		140,732
Softwood, Ordinary, Sawn ..... Sup. ft.		1,004,255

HAVANA MARU, December 7.
From U S. A.

Tinned Plates, Plain ..	Pls.	749
Cotton, Raw .. Bls. 720	,,	2,676

PRESIDENT JACKSON,
December 9.
from U. S. A.

Apples, Fresh.....	Pls	674
Cheese	,,	17
Herrings, Salt	,,	38
Flour, Wheat	,,	1,654
Hams and Bacon	,,	5
Macaroni	,,	10
Potatoes, Fresh	,,	197
Paper, Unclassed	,,	476
Motor-cars	Pcs.	10

EMPRESS OF CANADA,
December 10.

To Chicago.

Tea, Green:		
Gunpowder, Ningpo	Pls.	195

To Toledo.

Tea, Green:		
Hyson, Hangchow..	Pls.	11
Hyson, Hankow ..	,,	477
Young Hyson, Hangchow	,,	15

To Cleveland.

Carpets, Woollen	Pcs.	8

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 310	Pls.	307.44

To Sault Ste Marie.

Hides, Buffalo Salted ..	,,	248

To New York.

Silk, Raw, Re-reeled: White, other Ports Bls. 25.....	Pls.	25.42
Silk, Raw, Steam Filature: White, Shanghai Bls. 45	Pls.	45.46
White, other Ports Bls. 5	,,	4.98
Silk Raw, Filature: Wild, other Ports Bls. 80.....	,,	81.62
Silk Piece Goods.....	,,	3.92
Silk Pongees, Honan..	,,	34.74
Bristles	,,	45
Egg Whole, Dried	,,	353
Feathers, Duck	,,	102
Wool, Sheep's.....	,,	35
Carpets, Woollen	Pcs.	91
Hats, Hemp, Fine	,,	1,052
Skins, Dog, Tanned ..	,,	6,000
,, Fox, Untanned	,,	120
,, Lamb, Untanned	,,	1,061
,, Rubber, ,,	,,	12,100
Hair-nets	Gross	1,320
Drawn thread Works, Chefoo .....Hk. Tls.		3,682
Lace, Cotton.....	,,	682

To Altoona.

Silk, Raw, Steam Filature: White, Shanghai Bls. 20	Pls.	20.12

To Huntingdon

Silk, Raw, Steam Filature: White, Shanghai Bls. 145	Pls.	143.59

To Luzerne.

Silk, Raw, Steam Filature: White, Shanghai Bls. 100	Pls.	99.02

To Philadelphia.

Hair, Horse.....	,,	52

To Reading.

Silk, Raw, Steam Filature: White, Shanghai Bls. 10.....	,,	9.99

To Shamokin.

Silk, Raw, Steam Filature: White, Shanghai Bls. 190	,,	190.03

To Winnipeg.

Feathers, Duck	,,	119

HAMBURG MARU,
December 13.

To San Francisco.

Tea, Black:		
Congou, Hankow ..	,,	20
,, other Ports	,,	9
Tea, Green:		
Gunpowder, Ningpo.	,,	251
Brassware	,,	17
Chinaware	,,	5
Tallow, Vegetable	,,	1,668
Woodware	,,	7

To Los Angeles.

Seed, Sesamum	,,	1,680

To Cincinnati.

Tea, Green:		
Gunpowder, Ningpo.	,,	276
Young Hyson, other Ports	,,	48

To New York.

Tea, Green:		
Gunpowder, Ningpo.	Pls.	890
Antimony, Regulus ...	,,	1,680
Brassware	,,	17
Hides, Buffalo	,,	148
Wool, Sheep's	,,	312

LONDON MARU,
December 13.

To Seattle.

Tea, Black:		
Congou, Hankow .	Pls.	15
Tea, Green:		
Gunpowder, Ningpo.	,,	101
Tea, Dust	,,	24

To Tacoma.

Tea, Green:		
Gunpowder, Ningpo.	,,	20

To Portville.

Hides, Buffalo	,,	225

To Chicago.

Tea, Green:		
Gunpowder, Ningpo.	,,	176

To Kansas City.

Tea, Green:		
Gunpowder, Ningpo.	,,	138

To St. Louis.

Tea, Green:		
Gunpowder, Ningpo	,,	510

To Baltimore.

Tea, Green:		
Gunpowder, Ningpo	,,	47

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 30	,,	30
White, other Ports Bls 50.....	,,	49

To Santos.

Tobacco, Leaf	,,	80

Weekly Cotton Market Report

By J. Shunt & Co.

China Cotton:—The market during the past week has been rather quiet and prices have moved within a comparatively narrow range, the principal feature being adjustments of deliveries and winding up of accounts, owing to the proximity of the Chinese New Year Festivities.

Yarn:—During the past week our market has been quiet and steady with little business transpiring. Prices ruled on the same level as last reported.

Our next circular will be issued on or about the 4th., February, 1928, unless the situation warrants it, in which case we shall not fail to acquaint our friends with the general conditions of the market.

Liverpool:—

American-Middling	10.81
American-Middling last reported	10.96
Tone of the Market,	*Steady*

New York Market:—

Price of Mid-Amer.	19.70 Spot.
	19.18 Mar.
	19.27 May.
	19.04 July.
	18.39 Oct.
	18.35 Dec.
Tone of the market—	*Easier*

Indian Market:—

Fully Good Bengal, Mar.	309
Fine Oomra, Mar.....	339
Fully Good Broach, April/May.....	374
Tone of the market—	*Steady*

Shanghai Market:—

	Tls.
Tungchow, Spot. exwharf	34.40
Shanghai, Jan	33.50
M. Ginned, Jan Feb....	34.25
Shensi, No. 1 Jan	36.00
Ningpo. Spot, Exwharf.	30.60
Tone of the market—	*Steady*

In the United States Court for China

In re
The Estate
of
JOHN T. PROCTOR,
Deceased.

Cause No. 3021

Estate No. 669

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of JOHN T. PROCTOR deceased, to present the same with vouchers to the undersigned, on or before June 6, 1928, and all persons owing debts to the said deceased are hereby notified to make payments of the same in due course to the undersigned.

NELLIE M. PROCTOR
Temporary Administratrix
1 Young Allen Court
SHANGHAI.

In the United States Court for China

ETHEL ALLEN BREWSTER,
Plaintiff,

vs

JOSEPH EVAN BREWSTER,
Defendant.

Cause No. 3029
Civil No. 1269

ORDER.

Filed at Shanghai, China,
January 10, 1928.

L. T. KEVAKE
Assistant Clerk.

ORDER.

The object of this suit is an action for divorce.

On motion of the Plaintiff, it is this 10th day of January, 1928, ordered that the Defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the day of the last publication of this order; otherwise the cause will be proceeded with as in cause of default.

MILTON D. PURDY
Judge

Dated at Shanghai, China,
January 10, 1928.

In the United States Court for China

In re
Last Will and Testament
of
MINNIE BLAIR,
Deceased.

Cause No. 3023

Estate No. 670

NOTICE

Pursuant to an order of said Court, notice is hereby given to all persons having claims against the estate of MINNIE BLAIR, deceased, to present the same with vouchers to the undersigned on or before June 14, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Yangtsze Insurance Association, Ltd.
26 The Bund,
SHANGHAI.

Shanghai, China.
January 11, 1928.

CHINA TODAY: POLITICAL

By

Dr. Stanley K. Hornbeck

Lecturer on History of the Far East at Harvard University

This booklet contains in its 500 pages an analysis and consideration of the present situation in China under the general chapter headings of:

1.—The Revolution and Nationalism.
2.—The Revolt Against External Influences.
3.—The Attitude and Policy of the United States.
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4, Avenue Edward VII
Shanghai.

In the United States Court for China

IN RE LAST WILL AND TESTAMENT of CHARLES KLINCK, Deceased.

Cause No. 3016
Special Proceeding No. 668A

Filed at Shanghai, China, January 7, 1928.

JAMES M. HOWES
Clerk of the U.S. Court of China.

CITATION:

A petition having been filed for probate of the last will and testament of Charles Klinck, deceased, and for letters testamentary on said estate by John F. Messer and James Gibbs, executors named, in said will, it is ORDERED.

That notice to be hereby given to Isabel Matilda Messer, Honorina Isabel Klinck, May Klinck, George Frederick Klinck, William Jacob Klinck, Margaret Meyer and Paul Emil Valentine Meyer, and to all others concerned or interested to appear in this Court in the United States Court room in Shanghai, China, on Tuesday the 28th day of February, 1928, at 10 o'clock a.m. to show cause why said petition should not be granted.

This citation shall be duly served on any of the foregoing named persons found within the jurisdiction of this Court and a copy thereof sent by registered post to the last known address of those without the jurisdiction. Notice of hearing of said petition shall also be published in a Shanghai newspaper of general circulation once ni each of three successive weeks, the last publication to be not less than thirty days before the date set for hearing.

MILTON D. PURDY
JUDGE

Dated at Shanghai, China.
January 7, 1928

In the United States Court for China

In Re. Last Will and Testament of JOHN T. PROCTOR, Deceased.

Cause No. 3021

Special Proceeding No. 669

Filed at Shanghai, Jan. 5, 1927

JAMES M. HOWES
Clerk of the U. S. Court of China.

CITATION:

The petition having been filed for probate of the last Will and Testament of John T. Proctor, deceased, and for letters testamentary on said estate by Nellie Merinda Proctor executrix named in said Will, it is ORDERED.

That notice to be hereby given to Paul M. Proctor, 1834 Princeton Avenue, St. Paul, Minnesota; Downing E. Proctor, 1428 S 8th Street, Waco, Texas; Helen Proctor, 12 Merrill Street, Cambridge, Massachusetts; and Mildred Proctor, Granville, Ohio; and to all others concerned or interested to appear in this Court in the United States Court room in Shanghai, China, on Monday the 5th day of March, 1928, at 10 o'clock a.m. to show cause why said petition should not be granted.

This citation shall be duly served on any of the foregoing named persons found within the jurisdiction of this Court and a copy thereof sent by registered post to the last known address of those without the jurisdiction. Notice of hearing said petition shall also be published in a Shanghai newspaper of general circulation once in each of three successive weeks, the last publicetion to be not less than thirty days before the date set for hearing.

MILTON D. PURDY
JUDGE.

Dated at Shanghai, China.
January 5, 1928

FROM 1878 TO 1928

TIME & CHANGE

During the past fifty years many changes have taken place in manufacturing methods. To-day "THREE CASTLES" cigarettes are made in model factories replete with the most up-to-date machinery. ~~~~but,~~~~ the Quality of the Virginia Leaf used has never varied. "THREE CASTLES" are inherently good,~~~~ as good to-day as they were half a century ago.

"THREE CASTLES"

CIGARETTES

The Oldest Brand of World Fame

This advertisement is issued by the British-American Tobacco Co. (China) Ltd. EA 266

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43-272